

Public Review Draft

# Mid-County Water Service Review



NOVEMBER 2005

PREPARED FOR:  
**Placer Local Agency Formation Commission**  
102 El Dorado Street  
Auburn, California 95603

PREPARED BY:  
**Dudek & Associates, Inc.**  
605 Third Street  
Encinitas, California 92024



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*Prepared for:*

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## TABLE OF CONTENTS

1. Executive Summary .....	1
2. Auburn Valley Community Services District.....	6
3. Christian Valley Park Community Services District .....	14
4. Foresthill Public Utility District .....	22
5. Heather Glen Community Services District.....	33
6. Meadow Vista County Water District .....	41
7. Midway Heights County Water District.....	51
8. Placer County Water Agency.....	62
9. Suburban Pines Community Services District.....	78
10. Weimar Water Company .....	86

## ACRONYMS

ACWA	Association of California Water Agencies
AF	Acre foot
AF/Yr	Acre foot per year
ARBCA	American River Basin Cooperating Agencies
AWWA	American Water Works Association
CCF	Hundred cubic feet
CIP	Capital Improvements Plan (or Program)
CPUC	California Public Utilities Commission
CSD	Community Services District
CSDA	California Special Districts Association
CVP	Central Valley Project
DHS	State Department of Health Services
ERAF	Education Revenue Augmentation Fund
GIS	Geographic Information System
LAFCO	Local Agency Formation Commission
MID	Miners Inch Day
MVCWD	Meadow Vista County Water District
MHCWD	Midway Heights County Water District
NA	Not Applicable
NP	Not Provided
PCWA	Placer County Water Agency
PUD	Public Utility District
RAD	Regional Analysis District
SACOG	Sacramento Area Council of Governments
SCADA	Supervisory Control and Data Acquisition
SDRMA	Special Districts Risk Management Authority
SOI	Sphere of Influence
SPCSD	Suburban Pines Community Services District
USFS	United States Forest Service
WWC	Weimar Water Company

### Cover Photos:

*Boardman Canal near Hanson Spill*  
Photo: PCWA

*Sugar Pine Reservoir*  
Photo: Foresthill PUD

*Mammoth Reservoir*  
Photo: PCWA

*Scenic Canal*  
Photo: PCWA

## 1. EXECUTIVE SUMMARY

### Overview

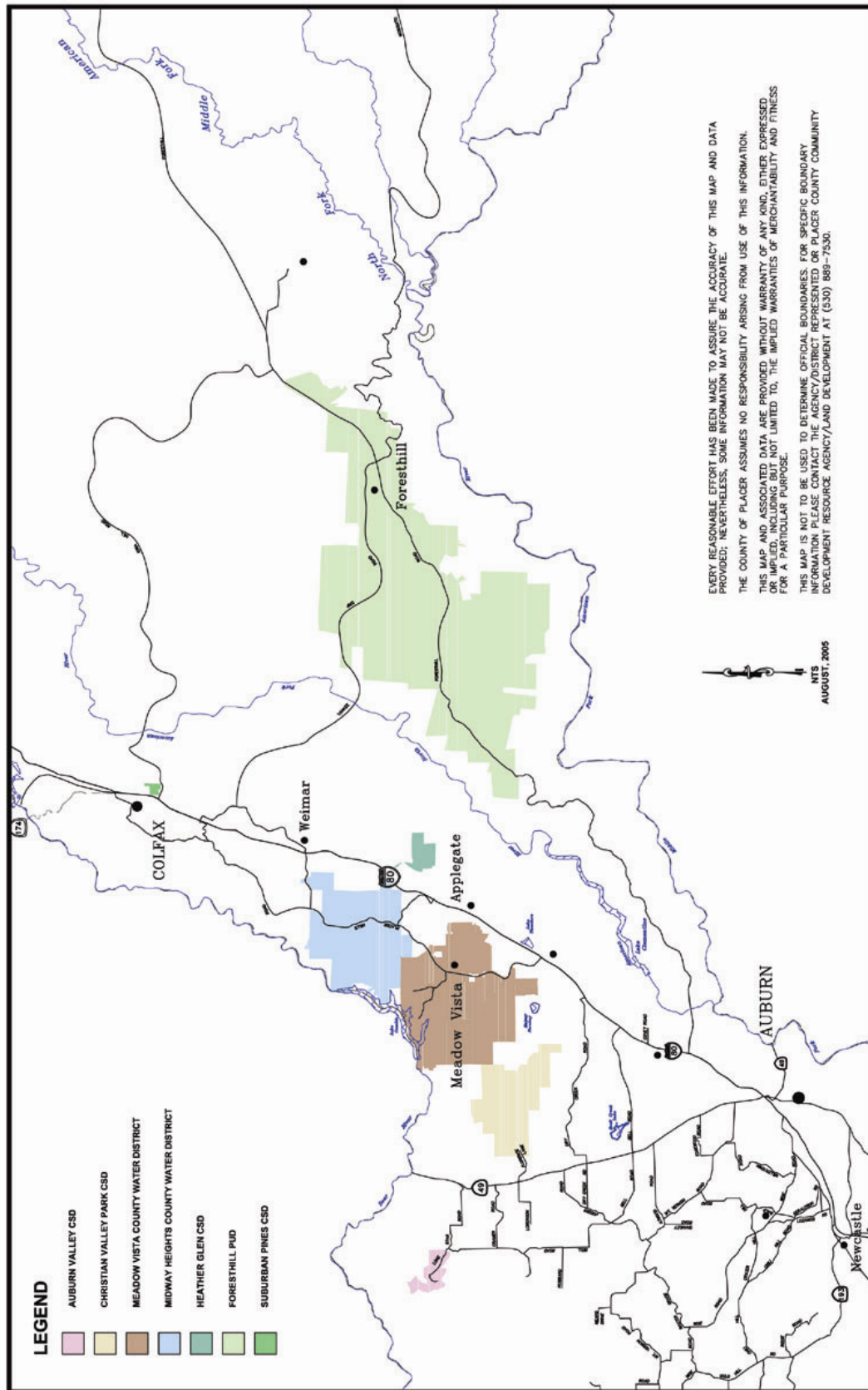
The Local Government Organization Act of 2000 governs city and special district boundary changes and reorganizations, and charges the Local Agency Formation Commission (LAFCO) in each county to perform studies and make reorganization decisions that promote efficient public services. The Mid-County Water Service Review is a comprehensive overview of water services within the central portion of Placer County and includes eight special districts. The report addresses the public services being provided by the agencies subject to LAFCO's boundary regulation under state law. Although it is not subject to LAFCO oversight, the Weimar Water Company is included as well as it is providing retail and wholesale treated water service within the study area.

Mutual water companies, small shared systems, and private and shared wells are also providing water service, drawing on the groundwater resources in the area. These facilities are privately owned, and it is beyond the scope of this report to collect and analyze data on these systems. It should be noted that they are providing water service to the County's residents from available groundwater resources and are impacted by similar concerns for groundwater quality and availability.

The following water providers are included in this review:

<i>Water Purveyors</i>
<i>Public Agencies</i>
Auburn Valley Community Services District
Christian Valley Community Services District
Foresthill Public Utility District
Heather Glen Community Services District
Meadow Vista County Water District
Midway Heights County Water District
Placer County Water Agency
Suburban Pines Community Services District
<i>Private Water Purveyor</i>
Weimar Water Company

Following are maps depicting the service areas of the water retailers. The service zones of the Placer County Water Agency are depicted on the map in *Section 8*.



Insert County Map

Utility\_Districts\_Exhibit\_Map-2.pdf

## **Service Review Purpose**

LAFCO has boundary authority over special districts and cities, but does not have authority over private entities. In accordance with Government Code §56425, LAFCO must conduct service reviews prior to or in conjunction with the mandated five-year schedule for updating Spheres of Influence (SOIs) for the agencies under its jurisdiction. The service review report must include an analysis of the issues and written determinations for each of the following:

- Growth and population projections for the affected area;
- Infrastructure needs or deficiencies;
- Financing constraints and opportunities;
- Cost avoidance opportunities;
- Opportunities for rate restructuring;
- Opportunities for shared facilities;
- Government structure options, including advantages and disadvantages of the consolidation or reorganization of service providers;
- Evaluation of management efficiencies; and
- Local accountability and governance.

The Mid-County Water Service Review will be available for use by LAFCO, the County, cities, special districts and the public to better understand how public services are provided within Placer County. The Service Review will be used by LAFCO to update the spheres of special districts including expansions or reductions in the sphere of influence (SOI) boundaries or creation of new SOIs.

Although the service review report includes a discussion of various alternative government structures for efficient service provision, LAFCO is NOT required to initiate any boundary changes based on service reviews. LAFCO, other local agencies (including cities, special districts, and the County) or the public may subsequently use the service review together with additional research and analysis, where necessary, to pursue changes in jurisdictional boundaries.

LAFCO may also use the information in this service review in reviewing future proposals, and other entities as well as the public may use this report as a foundation for further study and analysis of issues relating to water service within this county.

## **Water Service Review Process**

A collaborative approach has been used throughout the preparation of the Mid-County Water Service Review. The input of the public agencies is valuable, and opportunities were provided for their involvement. The agencies were initially asked to complete a service review questionnaire and provide supporting data for use in the analysis. The data was collected and forwarded to the consulting team for review; follow-up discussions were conducted where clarification and additional information were needed. Agencies were provided an opportunity to review the administrative draft following LAFCO's



initial review. Changes and comments were incorporated as appropriate in preparation for release of the Public Review Draft.

LAFCO is planning to hold a public hearing on the Public Review Draft at its December 14, 2005 meeting. LAFCO encourages agencies and interested members of the public to submit written comments in advance of the hearing, and to attend and summarize their main observations orally at the hearing. After the hearing, LAFCO will revise the draft determinations as needed, and subsequently adopt them.

## **Water Supply System**

The central portion of Placer County relies on two main sources of water: groundwater and surface water delivered through a system of canals and pipelines. The Placer County Water Agency is the primary wholesale water agency, providing both raw and treated water within its service zones. The mid-County study area lies within the northern portion of PCWA's service Zone 1 and the southern portion of Zone 3. With the exception of Auburn Valley CSD which relies on groundwater, the other agencies are providing raw and/or treated water from surface water supplies. Each of the agencies relies on PCWA for supply, except for Auburn Valley and the Foresthill Public Utility District which has its own source in the Sugar Pine Reservoir. The Weimar Water Company, a privately-owned utility, provides direct service as well as wholesales treated water to the Midway Heights CWD, Timber Hills Mutual Water Company, and the Weimar Institute. PCWA and Midway Heights CWD are the only agencies providing raw water service.

## **Additional Review Process Information**

Additional background documents, such as previous sphere studies, are available from the LAFCO office:

102 El Dorado Street  
Auburn, California 95603  
(530) 889-4097

In addition, status information about this document's public review and adoption process are available at the LAFCO office as well as through the LAFCO web page:

<http://www.placer.ca.gov/LAFCO/LAFCO.htm>

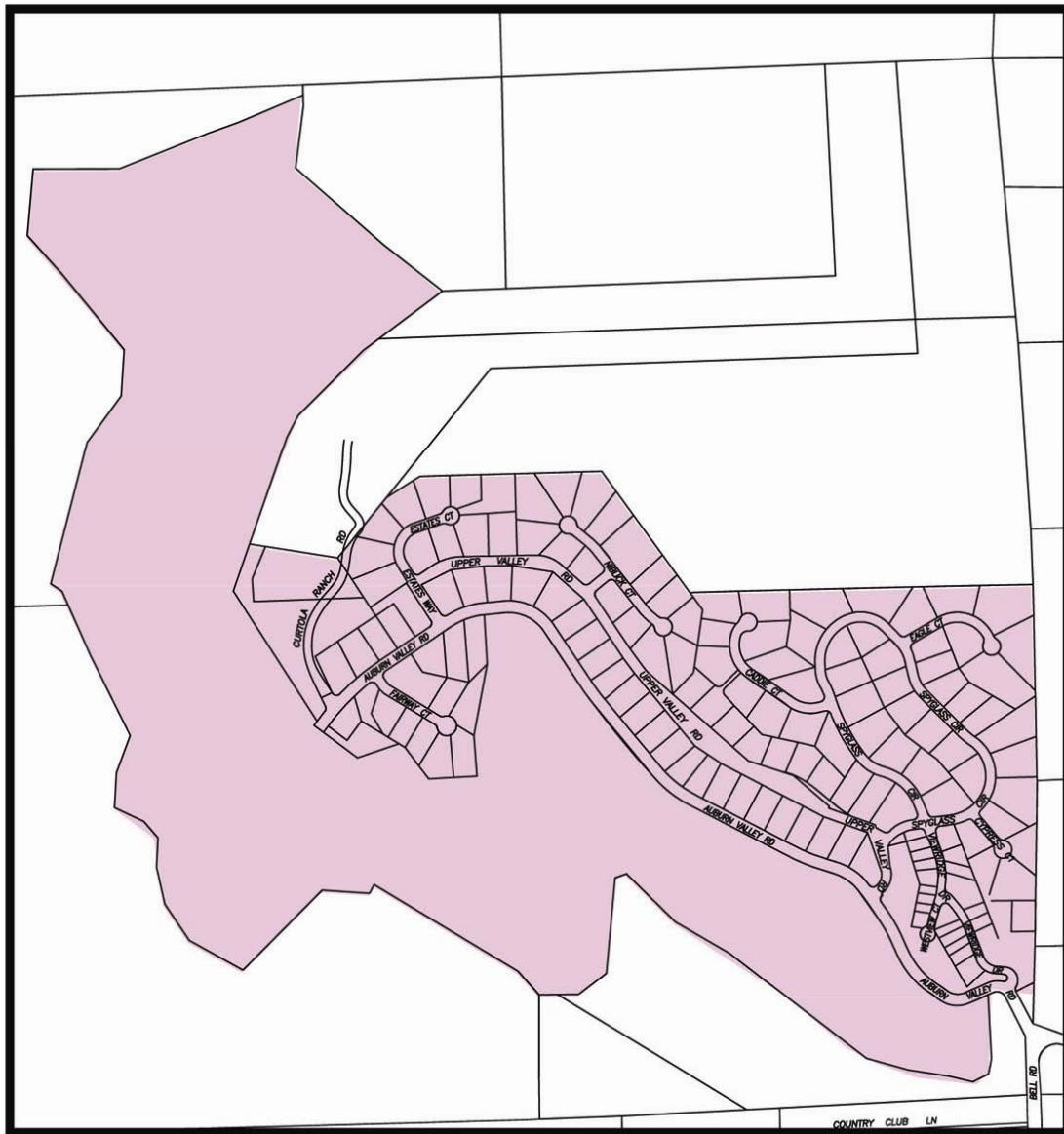
## **2. AUBURN VALLEY COMMUNITY SERVICES DISTRICT**

### **Overview**

The Auburn Valley Community Services District (CSD) was formed in 1998 to provide water, wastewater and road maintenance. The District serves an unincorporated area of approximately 5 square miles that includes the Auburn Valley Country Club and surrounding community. Potable water is obtained from local groundwater wells; irrigation water for the golf course is provided by the Nevada Irrigation District. Revenue for water service is derived from service charges and usage fees. The District is governed by a five-member Board of Directors elected at large by voters within the District.

Auburn Valley also has the Auburn Valley Property Owners Association for which property owners are assessed a monthly fee.

A map of the Auburn Valley CSD follows.



AUBURN VALLEY CSD



NTS  
AUGUST, 2005

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## **1. Growth and Population**

The Auburn Valley CSD serves a residential community within unincorporated area in the western portion of Placer County. The area is zoned for single-family residential and agriculture. The Sacramento Area Council of Governments (SACOG) has developed population projections for the counties and cities within its jurisdiction as well as larger Regional Analysis Districts (RAD). The Auburn Valley CSD lies within the North Auburn RAD. Per the SACOG March 2001 projections, population within the North Auburn RAD is expected to increase to 26,753 by 2025 at an average annual growth rate of 2.3%.

At build-out the District will have a maximum of 170 residential dwelling units, including 22 equivalent dwelling units (EDU) for the Auburn Valley Country Club. The District currently provides water service to 100 units and wastewater service to 163 units. The District serves an estimated of 450 people. Growth will be limited to the remaining developable parcels.

## **2. Infrastructure Needs and Deficiencies**

The Auburn Valley CSD provides potable water pumped from five (5) wells. There are no treatment facilities; per the County of Placer the water quality currently meets drinking water standards. In some instances the groundwater quality has been impacted by surface influences such as fecal coliform due to agricultural land uses in the area. The CSD overlies an area that is characterized by hardrock with an open structure with groundwater within 100-feet of the surface in some areas. When water quality does not meet State drinking water standards, the affected well must be taken out of service until the situation is corrected and water quality restored. In September 2004, the District was not able to provide water service for an extended period of time due to water quality issues as a result of contamination from the Auburn Valley Country Club.

The size of the District's system has more than doubled in the past several years, with new wells added as a result of increased growth and water quality issues. One (1) well has been added to the system in the past two years and none have been taken out of service. The District stores water in a single reservoir with a capacity of 540,000 gallons. With an Average Day Demand of 89,000 gallons, storage is adequate to meet 6 days of average demand. Peak day demand in July 2005 was measured at 263,129 gallons.

The original components of the water system were installed in the 1970's. The system is currently in working order; however some components are aged and the District is planning for future infrastructure repairs and improvements. An engineering report is being prepared that will assess the condition of the water and wastewater systems and determine the appropriate level of Capital Improvement reserves, based on the projected remaining usable life of system components.

The Auburn Valley Country Club purchases raw water directly from the Nevada Irrigation District to irrigate the golf course. The CSD is not responsible for the raw water system.

### 3. Financing Constraints and Opportunities

The Auburn Valley CSD is funded through service charges and fees. The water and wastewater services are accounted for separately so that revenue from each service can be compared to expenses. The following summarizes the District's finances:

**Auburn Valley CSD Financial Summary – Water Service**

Finances	FY 03-04 Actual	FY 04-05 Actual	FY 05-06 Budget
<b>Sources</b>			
Will Serve Letters	\$4,153		\$5,000
Water Meter Fees	\$3,380	\$5,335	\$10,800
Water Operations & Maint. Fees	\$4,712	\$26,026	\$25,200
Water Usage	\$48,518	\$44,610	\$95,150
Road Fees	\$33,157		
<b>Total Sources</b>	<b>\$93,920</b>	<b>\$80,180</b>	<b>\$136,150</b>
<b>Uses</b>			
Administration	\$24,849	\$24,205	\$2550
Water Operations & Maintenance	\$77,088	\$91,960	\$110,900
Wells	\$5,500	\$5,000	\$7,700
<b>Total Uses</b>	<b>\$107,437</b>	<b>\$121,165</b>	<b>\$141,150</b>
<b>Net Surplus/(Deficit)</b>	<b>(\$13,517)</b>	<b>\$(40,985)</b>	<b>(\$5,000)</b>
Transfer of Road Assets	0	(\$95,290)	0
<b>Net Assets, end of year</b>	<b>\$550,943</b>	<b>\$414,668</b>	<b>\$409,668</b>

The County Treasurer is the depository and has custody of the District's funds, as required by Government Code §61730. The District undergoes an independent financial audit every year; the most recent audit was conducted for FY ending June 30, 2005.

The District has sewer bonds but no other long-term debt associated with the water system. The District's financial reserves are limited. They are in the process of establishing a Capital Improvement Reserve Fund through a proposed assessment to be initiated in FY 2005-2006. In FY 2004-2005 the Construction Fund was used to cover the cost of service not covered by revenues.

The District faces litigation from Suncrest Homes, who is currently developing Units 4B and C within the Auburn Valley Community. The claim against the District and the CSD's Board of Directors is for damages caused by the District's "failure to properly maintain and operate its water systems." The District denied the claim in January 2005 and is working to resolve the issues. However, if Suncrest Homes prevails, the judgment may significantly impact the financial condition of the District.

#### 4. Cost Avoidance Opportunities

The Auburn Valley CSD is seeking to control costs by improving its budgeting procedures and addressing future infrastructure needs, including repair and replacement, in order to avoid expensive emergency repairs or service limitations.

The District operates with minimal overhead.

#### 5. Management Efficiencies

The Auburn Valley CSD is managed by the Board of Directors. The accounting function is outsourced to an independent bookkeeper that reports to the treasurer.

The District has hired OMI, a professional firm with experience in water and wastewater system management, to manage the District's systems. The District expects that this will improve service reliability and system operations. The OMI contract was recently extended through November 30, 2005. It is expected that a firm contract will be in place by that date to extend for three years (2008). This structure has allowed OMI to become familiar with the system and establish operational experience and cost history so that a long-term contract can be structured appropriately.

#### 6. Shared Facilities

The Auburn Valley CSD has limited opportunity to share facilities with other agencies due to its location.

#### 7. Rate Restructuring

The District charges a monthly meter fee, water usage charge and a monthly water maintenance and operations fee. The water usage rate structure has three tiers. The District proposed a significant rate increase for FY 2005-2006 based on the operational costs for FY 2004-2005 and projections for FY 2005-2006. This was the first year that the District had historical full-year costs for operations.

The current and proposed water service rates are as follows:

Fee	Monthly Rates FY 2004-2005	Monthly Rates FY 2005-2006	% Change
Meter Charge	\$5.00	\$9.00	180%
Water O & M	\$12.00	\$21.00	175% (25%)
Water Use Charges			
0-3 Units	\$1.05	\$1.81	72%
3-6 Units	\$1.43	\$2.46	72%
6+ Units	\$1.91	\$3.29	72%
Capital Imp Reserve Fund Assessment	None	None	0%

Even with the proposed rate increases, revenues would not cover projected expenses for water service in FY 2005-2006. The proposed budget results in a \$5,000 deficit for water service. Through the management of OMI and the operational history, the District may be able to develop financial projections

that will allow for a more gradual rate change in the future. Some agencies accomplish this through adopting a policy that allows for yearly adjustments based on increases in the Consumer Price Index.

## **8. Government Structure Options**

The Auburn Valley CSD was formed under Community Services District Law (Government Code §61000 et seq.) on July 1, 1998. The District's sphere of influence is coterminous with its boundary. There are no other agencies within the area that could provide the same services as the district, and no government structure options were identified.

## **9. Local Accountability and Governance**

The Auburn Valley CSD is governed by a five-member board of Directors elected at large by voters within the District. Elections have been uncontested for a number of years, with the County Board of Supervisors appointing the candidates to serve.

Board Member	Title	Term of Office	Compensation
Vacant	Director	2008	None
Jack Jackson	Director	2006	None
Dennis Kay	Operations Manager	2006	None
Rick Harrison	Treasurer	2008	None
Bob Hay	Director	2006	None

District meetings are held the first Thursday of each month at 3 p.m. at the Auburn Country Club, 8800 Auburn Valley Road. Public notice of meetings is posted at the gazebo and near cluster mailboxes within the District at least 72 hours before each meeting.

At the last election the District corrected issues with board member terms and appointments so that the Placer County Recorder and Board of Supervisors have accurate information on term expirations. The five directors now serve staggered terms.

The Auburn Valley CSD has been in existence for seven years, and over this time the scale of the services provided has increased significantly. The Board of Directors should remain cognizant of the management responsibility and financial reporting requirements for an independent special district and include an orientation for board members with a review of the Ralph M. Brown Act. The District may consider contacting County personnel or accessing other resources such as the California Special Districts Association ([www.csda.org](http://www.csda.org)) for additional information on best management practices and organizational requirements of the State law. In addition, the District may consider changing the meeting time to the evening to encourage more public participation.

**– DETERMINATIONS –**

***1) Population and Growth***

The Auburn Valley Community Services District serves a 5 square mile area. The area is zoned for single-family residential and agriculture, with a maximum of 170 parcels. Future growth will be limited, based on the number of developable parcels remaining.

***2) Infrastructure Needs and Deficiencies***

The Auburn Valley CSD provides water, wastewater and road maintenance services. Potable water is obtained through a number of groundwater wells owned and operated by the District.

The District has no water treatment facilities as water quality has generally met drinking water standards. However, in 2004 service was interrupted for an extended period due to groundwater contamination from surface influences.

The District is currently assessing the condition of the water system infrastructure in order to project future capital improvement needs and estimated costs.

***3) Financing Constraints and Opportunities***

The Auburn Valley CSD is funded through service charges and fees. Water revenues were not adequate to cover operational expenses in FY 2004-2005.

The District has limited reserves, but is proposing to implement a new fee for a Capital Improvements Reserve Fund.

The District faces litigation from Suncrest Homes regarding the District's maintenance and operations of the water system. This may impact the future financial condition of the District and its ability to continue operations.

***4) Cost Avoidance Opportunities***

The Auburn Valley CSD is evaluating the water system in order to plan for infrastructure improvements and replacements, which may avoid costly emergency repairs.

***5) Management Efficiencies***

The Auburn Valley CSD contracts with OMI to manage the water and wastewater systems, which is expected to result in greater efficiencies.

***6) Shared Facilities***

The Auburn Valley CSD has limited opportunity to share facilities with other water districts or agencies due to its location.



**7) Rate Restructuring**

The Auburn Valley CSD increased rates for FY 2005-2006, based on historical cost data for water service and projected costs for FY 2005-2006.

The District uses a three-tiered rate structure for water use; water service charges also include a meter charge and an Operations and Maintenance fee.

**8) Government Structure Options**

The Auburn Valley CSD was formed under Community Services District Law (Government Code §61000 et seq.). There are no other agencies in the area that could provide the same service, and no other structure options were identified.

**9) Local Accountability and Governance**

The Auburn Valley CSD is governed by a five-member board of Directors elected by voters within the District. The District is providing adequate public notice of meetings and the meetings are open and accessible to the public.

The District is working to improve its governance policies and procedures. The Board of Directors should conduct periodic reviews of the Ralph M. Brown Act and seek input from outside resources on implementing Best Management Practices and improving financial reporting.

**– AGENCY PROFILE –**

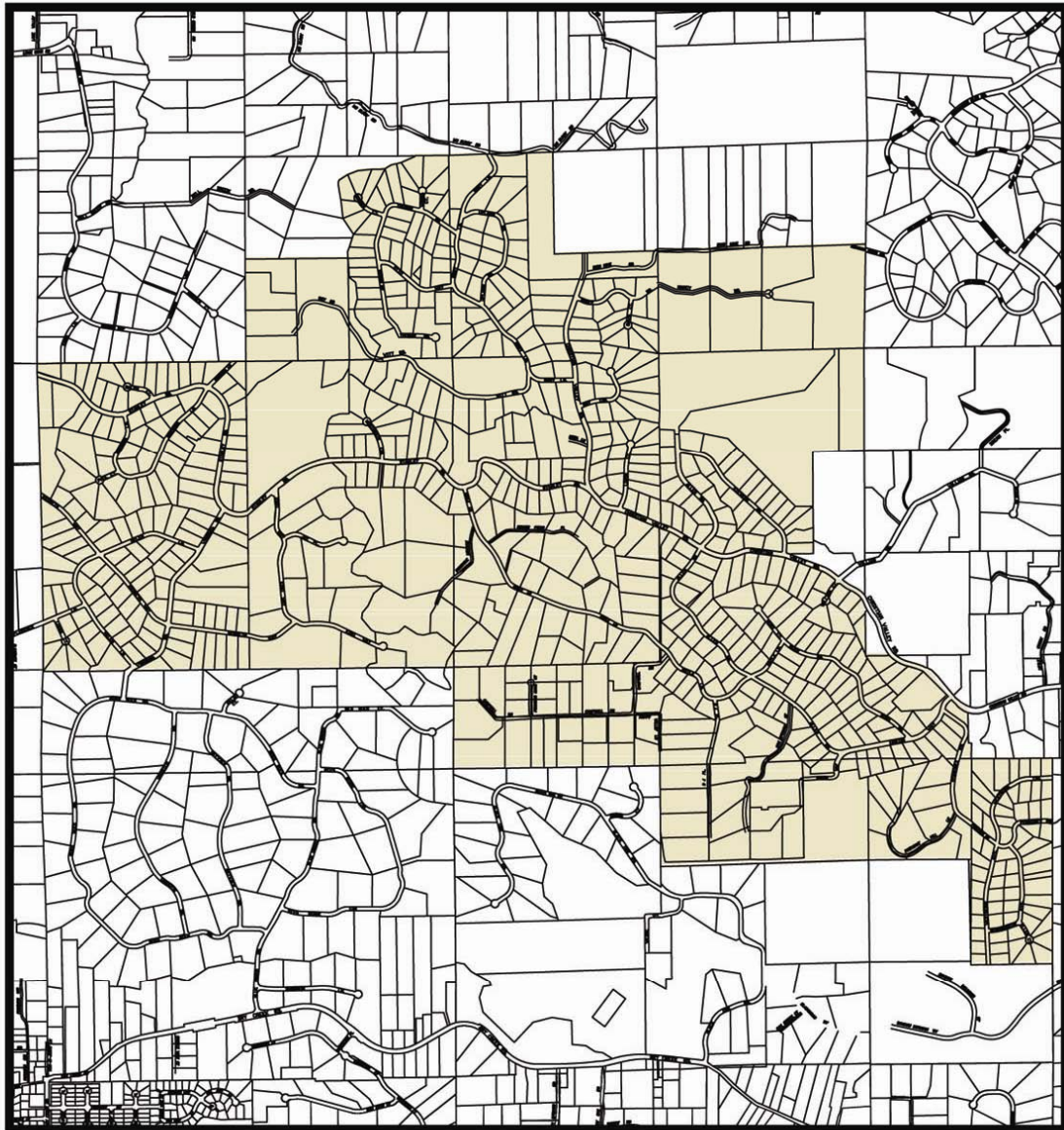
Auburn Valley Community Services District			
Contact:	Rick Harrison, Treasurer		
Mailing Address:	8815 Auburn Valley Road, Auburn, CA 95602		
Site Address:	Same		
Phone Number:	(530) 269-2538		
Fax Number:	none		
Email/Website	NA		
Types of Services:	Water, wastewater, road maintenance		
Population Served:	~450		
Size of Service Area (sq miles):	5 sq miles		
Staff and Infrastructure			
Staff: FTE	NONE		
Number of Connections	Residential: 100 EDU's		
Potable Demand	-- AF/Yr		
Storage Capacity	540,000 gallons		
Water Source	Local Groundwater		
Financial Information			
Water Service Budget: (FY 2005-2006)	Revenues	Expenses	NET ASSETS (. June 30, 2005)
	\$80,180	\$121,213	\$414,668

### **3. CHRISTIAN VALLEY PARK COMMUNITY SERVICES DISTRICT**

#### **Overview**

The Christian Valley Park Community Services District (CSD) was formed in 1962 and serves an area of approximately 2.3 square miles in the unincorporated community of Christian Valley. The District provides water service and road maintenance; raw water is purchased from the Placer County Water Agency and treated at the District's treatment plant. Revenues are derived from service charges, property taxes and assessments. The District is governed by a five-member Board of Directors elected at large by voters within the District.

A map of the Christian Valley Park CSD follows.



CHRISTIAN VALLEY CSD



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*Note: Sphere of Influence not shown.*

## 1. Growth and Population

Land use within the Christian Valley Park CSD is primarily residential with some agricultural use. It is zoned for single-family residential and agriculture. The population served by the District is estimated at 1,433 based on an average of 2.63 persons per household in unincorporated Placer County. The Sacramento Area Council of Governments (SACOG) has developed population projections for the counties and cities within its jurisdiction as well as Regional Analysis Districts (RAD). The Christian Valley Park CSD lies within the North Auburn RAD. Per the SACOG March 2001 projections, population within the North Auburn RAD is expected to increase to 26,753 by 2025 at an average annual growth rate of 2.3%.

The District currently serves 557 treated water accounts with an additional 42 undeveloped lots entitled to water service. In the future, the District may serve an additional 70 parcels which are not entitled to water, but their wells are failing. The extension of the mainline would help the overall water system by creating a higher pressure in some areas of the District as well as some other benefits. These parcels are within the District's current sphere of influence and represent an estimated 13% increase in population served, reaching 1,750. Significant growth beyond this service expansion is not anticipated.

## 2. Infrastructure Needs and Deficiencies

The Christian Valley Park CSD provides potable water for residential accounts. Raw water is purchased from the Placer County Water Agency and delivered to the District through the Bowman Canal. The canal system originates at Lake Spaulding in Nevada County. Some groundwater wells within the District's sphere of influence are going dry; this issue is the primary impetus behind the interest of the 70 parcels mentioned above to connect to the District's water system.

The Christian Valley Park CSD's water system includes the following components:

Facility	Quantity
Treatment Plant	1 with 1 mg capacity
Pipelines	15 miles
Reservoirs /Tanks	1 .5 mg
Pressure Zones	3

The treatment plant is expandable to 1.5 million gallons per day with the addition of a third filter. The District has a current peaking factor of 7-8, or approximately 900 gallons. The system is all gravity-fed with only one area needing pumping to maintain pressure. Service may be extended in the vicinity of Gayle, Sunshine Meadows and Campbell Roads; if the project and assessments are approved by the property owners, a new mainline will be installed. This is still at least a year away from construction.

The most critical constraint in the water system is storage. There is currently only one in-ground reservoir and it is in good condition. However, it is a part of the treatment process and cannot be bypassed, so it cannot be taken out of service for repairs or upgrades. The District has identified a

potential opportunity to locate a reservoir and booster pump on property owned by the California Conservation Corps at the end of Christian Valley Road. This property is outside the boundaries of the District; however the reservoir would be sited at a high point and would add additional storage volume as well as redundancy to the system. The wells that the Conservation Corps relies on are going dry; an agreement would include the District providing water service to the Corps property. The end of an existing mainline is within 50-feet of the property line. An engineering feasibility study has not been completed; however the District expects that treatment capacity and water supply would be adequate.

### 3. Financing Constraints and Opportunities

The Christian Valley Park CSD is funded through service charges, fees, property taxes and interest income with property tax revenue used for road maintenance. Water service is accounted for through an enterprise fund. The following summarizes the District's finances:

Christian Valley Park CSD Financial Summary – Water Fund

Finances	FY 02-03 Actual	FY 03-04 Actual	FY 04-05 Actual
<b>Sources</b>			
Service Charges	\$185,889	\$221,349	\$240,576
Hook up Fees	\$7,814	\$33,100	\$34,272
PCWA Surcharges	\$28,840	\$29,362	\$35,598
Other Income, Late Fees	\$495	\$1,040	\$659
Interest Income	\$6,784	\$6,221	\$5,325
<b>Total Sources</b>	<b>\$229,822</b>	<b>\$291,072</b>	<b>\$316,429</b>
<b>Uses</b>			
Operating Expenditures (inc Depn)	\$222,768	\$235,488	\$275,797
Interest Expense	\$2,993	\$8,376	\$8,488
<b>Total Uses</b>	<b>\$225,761</b>	<b>\$243,864</b>	<b>\$284,285</b>
<b>Net Surplus/(Deficit)</b>	<b>\$4,061</b>	<b>\$47,208</b>	<b>\$32,145</b>
<b>Reserve Balance, end of year</b>	<b>\$332,771</b>	<b>\$595,804</b>	<b>\$439,464</b>

The County Treasurer is the depository and has custody of the District's funds, as required by Government Code §61730. The District undergoes an annual financial audit; the most recent audit was conducted for FY ending June 30, 2004.

The District has one loan outstanding through the US Department of Agriculture Rural Economic and Community Development Department. The financing was used for water system improvements. The interest rate on the loan is 5% and the outstanding principal balance at June 30, 2004 was \$161,355. Annual principal and interest payments are approximately \$16,400.

The District has reserves for future needs, designated as follows (FY 2003-2004 year end):

	<u>Water</u>	<u>Roads</u>	<u>Total</u>
Operations	\$370,806	\$203,704	\$574,510
Restricted	<u>\$21,294</u>	<u>          </u>	<u>\$21,294</u>
Total	\$392,100	\$203,704	\$595,804

Restricted reserves are designated for debt service on the Rural Development loan.

#### 4. Cost Avoidance Opportunities

The Christian Valley Park CSD controls costs through the budgeting process and operates with minimal overhead. The Board is considering opportunities to improve service and reliability through siting a reservoir and pump station on the Conservation Corps property, which would allow for gravity feed to the distribution system and require less electricity for pumping. If the property owners approve extending service to the Gayle/Sunshine Meadows/Campbell area, an assessment district will be formed so that the cost is borne by those properties benefiting from the service. Lastly, the District has the financial resources to act on recommendations by Weimar Water Company for system improvements so that the potential for costly emergency repairs is minimized.

#### 5. Management Efficiencies

The Board of Directors of the Christian Valley Park CSD manages the district and gives direction and supervision to the Weimar Water Company. Weimar Water has been maintaining the water system for over twelve years. Weimar staff is on-call 24-hours a day.

#### 6. Shared Facilities

The Christian Valley Park CSD has limited opportunity to share facilities with other water agencies. As noted above, the potential agreement with the California Conservation Corps represents a significant opportunity to share facilities between the two entities.

#### 7. Rate Restructuring

The District charges a monthly meter charge, water usage charge and a PCWA Capital Facilities surcharge. Water use is charged at a flat unit rate. Rates are reviewed annually. The current water service rates are as follows:

Fee	Monthly Rates FY 2004-2005
Meter Charge – ¾" meter	\$14.00
Water Use Charge – per billing unit (748 gallons)	\$0.70
PCWA Surcharge – every 30 days	\$5.49



Water service from PCWA is metered, and the District pays the following rates for raw water:

Fee	PCWA Rates
Resale Service Fee	\$34.07
Zone 1 Capital Facilities Charge – every 30 days per each residential customer	\$5.49
Water Use (in Miners Inch Days)	
0 – 30 MID	\$3.85
31 – 90 MID	\$2.94
Over 90 MID	\$2.34

## 8. Government Structure Options

The Christian Valley Park CSD was formed under Community Services District Law (Government Code §61000 et seq.) on October 30, 1962. The District's sphere of influence is coterminous with its boundary on the east, west and south sides; the northern sphere extends beyond the District's boundary. There are no other agencies within the area that could provide all of the services of the District; therefore no other government structure options were identified.

## 9. Local Accountability and Governance

The Christian Valley Park CSD is governed by a five-member board of Directors elected by voters within the District. Elections have been uncontested for a number of years. The current board is as follows:

Board Member	Title	Term of Office	Compensation
Mark Cederloff	President	2008	\$150 per mtg.
Mary Lou Aube	Director	2008	\$150 per mtg.
Lynn Cook	Director	2006	\$150 per mtg.
Opening	Director	2006	\$150 per mtg.
Walter (Jim) Miller	Director	2006	\$150 per mtg.

District meetings are held the second Tuesday of each month at 7 p.m. at the Placer Energy Center, 3710 Christian Valley Road. Public notice of meetings is posted at the California Conservation Corps bulletin board at least 72 hours before each meeting. The District also has a website that includes information on the district, water quality report, and board meeting agendas and minutes ([www.christianvalley.org](http://www.christianvalley.org)).

## – DETERMINATIONS –

### 1) Population and Growth

The Christian Valley Park Community Services District serves a 2.3 square mile area. The area is zoned for single-family residential and agriculture. Future growth will be limited, based on the number of developable parcels remaining.

The District may extend service to 70 parcels along Gayle, Sunshine Meadows and Campbell Roads, an area that opted not to have water service when the District was formed. This will result in a 13% increase in the population served by the District.

***2) Infrastructure Needs and Deficiencies***

The Christian Valley Park CSD provides water and road maintenance services. Raw water is obtained from the Placer County Water Agency through the Bowman Canal and treated by the District at its water treatment plant.

The District is considering adding an additional reservoir and pump station in order to improve service and reliability. The District currently has one 1.5 million gallon reservoir that is part of the treatment process and cannot be taken out of service for repairs.

The District contracts with the Weimar Water Company to maintain the water system infrastructure and operate the water treatment plant; improvements and repairs are approved based on Weimar Water Company's recommendations.

***3) Financing Constraints and Opportunities***

The Christian Valley Park CSD is funded through service charges, service fees, property taxes and interest income. Water service is accounted for through an enterprise fund, and water revenues are adequate to cover operational expenses.

The District has reserves for future operational needs as well as restricted reserves for debt service.

The District has long-term debt associated with water system improvements. The loan has an interest rate of 5% and requires annual payments of approximately \$16,400.

***4) Cost Avoidance Opportunities***

The Christian Valley Park CSD is controlling costs through the annual budgeting process.

***5) Management Efficiencies***

The Christian Valley Park CSD contracts with the Weimar Water Company to manage the water system, which results in greater efficiencies.

***6) Shared Facilities***

The Christian Valley Park CSD has limited opportunity to share facilities with other water agencies, but may share facilities with the California Conservation Corps in the future.



**7) Rate Restructuring**

The Christian Valley Park CSD has a flat rate structure for water use; water service charges also include a meter charge and a PCWA Capital Facilities surcharge

The District reviews rates annually and adjusts them as necessary through a public process.

**8) Government Structure Options**

The Christian Valley Park CSD was formed under Community Services District Law (Government Code §61000 et seq.). There are no other agencies in the area that could provide the same service, and no other structure options were identified.

**9) Local Accountability and Governance**

The Christian Valley Park CSD is governed by a five-member board of Directors elected by voters within the District. The District is providing adequate public notice of meetings and the meetings are open and accessible to the public.

**– AGENCY PROFILE –**

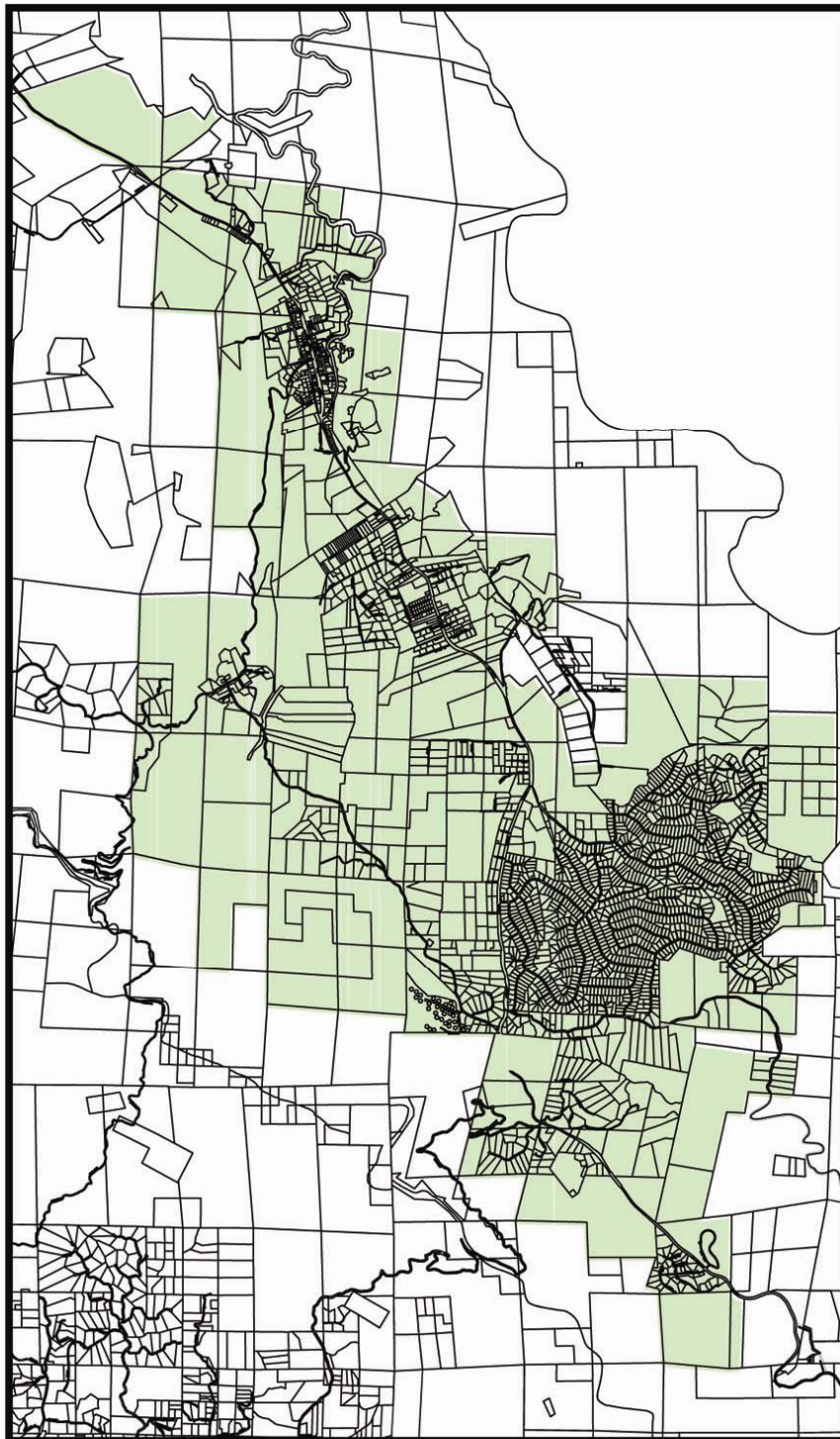
Christian Valley Park Community Services District			
Contact:	Don Elias, Secretary		
Mailing Address:	3333 Christian Valley Road, Auburn, CA 95602		
Site Address:	Same		
Phone Number:	(530) 878-8050		
Fax Number:	(530) 878-8350		
Email/Website	www.christianvalley.org		
Types of Services:	Water, road maintenance		
Population Served:	~ 1,433		
Size of Service Area (sq miles):	2.3 sq miles		
Staff and Infrastructure			
Staff: FTE	1 Part time		
Number of Connections	557		
Potable Demand	-- AF/Yr		
Storage Capacity	1 million gallons		
Water Source	Bowman Canal / Lake Spaulding		
Financial Information			
Water Service Actual: (FY 2004-2005)	Revenues	Expenses	Fund Balance (est. June 30, 2005)
	\$316,429	\$284,285	\$439,464

#### **4. FORESTHILL PUBLIC UTILITY DISTRICT**

##### **Overview**

The Foresthill Public Utility District (PUD), formed in 1950, serves a 20-square mile area that encompasses the unincorporated Foresthill Divide community. The District provides water for residential and commercial use as well as fire protection. The District owns the Sugar Pine Dam and conveyance system, along with associated water rights for Mill Creek and North Shirttail Creek. Water from the Sugar Pine Reservoir is treated at the District's facility in Foresthill. The District's primary sources of revenue include service charges, fees, property taxes and interest income. The District is governed by a five-member Board of Directors elected at large by voters within the District.

A map of the Foresthill Public Utility District follows.



FORESTHILL PUD

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NTS  
AUGUST, 2005

*Note: Sphere of Influence not shown*

## **1. Growth and Population**

The Foresthill PUD serves an area that is primarily residential with some commercial, agriculture, forest and timber use. It is generally low density development, with pockets of higher density multi-family residential use. The District estimates that the current population within its service area is approximately 5,500 persons.

The Sacramento Area Council of Governments (SACOG) has developed population projections for the counties and cities within its jurisdiction as well as Regional Analysis Districts (RAD). The Foresthill RAD is slightly smaller than the District's boundaries, but it includes the main population and employment centers within Foresthill. Per the SACOG March 2001 projections, population within the Foresthill RAD is expected to increase to 4,804 by 2025 with an average annual growth rate of 0.8%.

The County of Placer has established a Foresthill Divide Community Plan Area that covers a larger area than the District's boundaries. The September 2003 draft of the Foresthill Divide Community Plan includes growth scenarios that range from 1.5% (for average annual growth within unincorporated Placer County) to 4.00%. The County's General Plan uses a higher rate of 2.11% with the total build-out population in the Foresthill community reaching 13,500 persons.

A major new development has been proposed for the Foresthill community. The Forest Ranch development plan includes 2,213 residential units, of which 524 would be located within the District's current boundaries. As planned, the development will result in a significant increase in population and water demand for the greater Foresthill area. The District has planned for adequate water supply and infrastructure to meet expected demand for the population and growth per the current 1981 Foresthill General Plan, which includes service for the 524 dwelling units. The remaining 1,689 units represent growth (Sphere of Influence Area) and is not included in the District's Water System Master Plan.

## **2. Infrastructure Needs and Deficiencies**

The Foresthill PUD provides potable water to the following customer base: 1,777 single family residential, 13 multi-family residential, 80 business/commercial, and 1 industrial. There are 11 inactive single-family residential accounts.

### ***Supply and Demand***

The District owns water rights to Mill Creek and North Shirttail Creek, as well as the Sugar Pine Reservoir. The reservoir is filled by surface water draining from the 10-square mile watershed of North Shirttail Creek. The District lobbied the State and Federal governments to construct the Sugar Pine Reservoir Project after experiencing dire water conditions during the drought of 1976-77. The Project includes a 7,000 acre-foot reservoir on North Shirttail Creek, a 24-inch diameter supply pipeline, a 3 million-gallon per day water treatment plant, three 400,000 gallon water storage tanks, and a transmission pipeline ranging in diameter from 21-inches near the treatment plant to 10-inches at the District's southwestern boundary. In November 2003 the District purchased the Sugar Pine Dam from the US

Bureau of Reclamation so the District now owns the entire system. The District's other sources of water dried up during the drought of 1976-77 and are no longer considered reliable sources.

The District's water rights total 24,076 acre-feet per year, however the amount significantly exceeds the calculated firm-yield of 4,700 acre-feet per year, or 2,657 acre-feet per year in a multiple drought year cycle. The District has adopted a reliability standard based on a 10-year drought followed by a 100-year drought followed by a mean water year. With this scenario, the safe yield of the Sugar Pine Project is 2,657 acre-feet per year. This allows for all downstream flow requirements to be met and a minimum reservoir level of 1,100 acre-feet which must be maintained. Per the hydrologic analysis conducted, the reservoir would refill by the end of the second year if a multiple year drought were followed by a mean water year.

The District's existing and planned future demand is shown below. This demand is within the calculated safe yield of 2,657 acre-feet per year as discussed above.

Demand	Annual AF
Existing Water Demand for 1,690 SF and 327 MF residential; 94 Comm/Ind	1,154
Forest Ranch Project – 524 DU's at 430 gpd within existing District boundaries	252
Other Planned Future Developments	1,026
<b>Total Demands at Build-out</b>	<b>2,432</b>

### ***System Infrastructure***

The Foresthill PUD system infrastructure includes the following components:

Facility	Treated
Mainline	76 miles
Reservoirs /Tanks	400,000 gal
Pump Stations	1
Pressure Zones	6

The District's Water System Master Plan was prepared in 1992 and is based on the projected development and growth included in the 1981 Foresthill General Plan. Although some of the capital improvements have been completed, the Master Plan is still valid. It will be updated based on an adopted Foresthill Community Plan.

Capital Improvement projects are reviewed annually as part of the budget process. The District has adopted a comprehensive Capital Improvement Plan policy which is reviewed and approved annually.

The State Division of Dam Safety conducts an annual safety inspection of the Sugar Pine Dam and the USFS conducts a compliance review of the Sugar Pine Operating Plan. The dam has a Supervisory Control and Data Acquisition (SCADA) system that includes security. The process control, monitoring, and security for the treatment plant and pump station are all computerized.

The District noted that there are several areas within the District's boundaries that lack services due to distance from transmission facilities. Developers are responsible for future improvements required to serve new development, with the cost generally paid through development fees. The developer is required to install new facilities as determined by the District.

### 3. Financing Constraints and Opportunities

The Foresthill PUD's primary sources of revenue are service charges, fees, property taxes and interest income. The following summarizes the District's finances:

**Foresthill PUD Financial Summary**

Finances	FY 2002-03 Actual	FY 2003-04 Actual	FY 2004-05 Est. Actual
<b>Revenue</b>			
Water Sales	\$792,132	\$826,924	\$831,000
Service Connections	\$25,000	\$35,189	\$28,125
Will Serve	\$161,575	\$238,643	\$215,025
Sugar Pine Surcharge		\$137,072	\$139,617
Other Income, Interest Income	\$65,759	\$80,358	\$104,379
Property Taxes	\$48,482	\$53,820	\$15,825
<b>Total Revenue</b>	<b>\$1,092,948</b>	<b>\$1,372,006</b>	<b>\$1,363,972</b>
<b>Expenses</b>			
Source of Supply	\$172,597	\$31,884	\$60,109
Pumping and Water Treatment	\$118,658	\$131,510	\$119,538
Transmission and Distribution	\$133,833	\$115,615	\$152,928
Customer Accts/Admin	\$414,924	\$439,139	\$511,895
Depreciation	\$207,061	\$245,173	\$252,000
Interest Expense / Misc		\$70,703	\$138,229
Assistance – Assessment District #2	\$100,000	\$100,000	\$100,000
<b>Total Expenses</b>	<b>\$1,147,073</b>	<b>\$1,134,024</b>	<b>\$1,334,699</b>
<b>Net Surplus/(Deficit)</b>	<b>(\$54,125)</b>	<b>\$237,982</b>	<b>\$29,273</b>
<b>Capital Contributions</b>		<b>\$503,570</b>	<b>\$94,795</b>
<b>Reserve Balance, end of year</b>	<b>\$685,531</b>	<b>\$1,066,522</b>	<b>\$1,144,885</b>

The District undergoes an annual financial audit with the most recent audit conducted for the year ending June 30, 2004. The auditor did not note any items of concern. The District's reserves are invested with the State Treasurer's Local Agency Investment Fund. Funds are set aside for future plant improvements and other needs. As of June 30, 2005, the District had restricted 52% of its reserves for the following uses:

Sugar Pine Surcharge	\$48,182
Future filtration benefit	\$91,850
<u>Capital Reserve</u>	<u>\$453,616</u>
Total	\$593,648

The District uses long-term debt to finance major capital acquisitions and improvements. In 1982 the District issued bonds in the amount of \$817,250 to finance the construction of the treatment plant as part of the Sugar Pine Reservoir Project. The bonds have an interest rate of 5% and are secured by unpaid assessments. Assessment District 715 was instituted in 1982 with a 40 year life to repay the debt. All existing parcels within the District were included and are assessed \$25 annually on the property tax bill. Parcels created after the initial assessment pay a \$625 fee directly to the District upon request for service. The outstanding principal balance of the bonds at June 30, 2004 was \$555,000.

In 1997 the District issued an improvement bond in the amount of \$1,364,150 to the US Department of Agriculture – Rural Development in order to finance the first phase of upgrades to the distribution system for fire flow and pressure. The bond bears interest at 4.875% per annum and has an average annual debt service of \$78,375 through 2009. In 1998 a second improvement bond was issued to the USDA in the amount of \$2,031,318 for the second phase of upgrades. The second bond bears interest at 4.75% per annum with average annual debt service of \$114,735 through 2009. Assessment District 708 was formed in 1997 with a 40-year life; it includes all existing parcels within 500 feet of an existing District main line. Annual assessments are \$46.26 per year collected by the County through the property tax bills. There is no provision for fees due on parcels newly created after the initial assessment.

In 2003 the District issued Certificates of Participation for \$3,195,000 to the CSDA Finance Corporation to finance the acquisition of the Sugar Pine Dam and Reservoir and associated water rights. The Certificates are secured by a lien on the District's net revenues. Through 2014, annual principal payments of \$100,000 are required, with interest rates ranging from 1.05% to 3.75%. Thereafter, interest rates range from 5% to 5.25% through maturity. Interest is payable semi-annually. Average annual debt service through 2009 is approximately \$234,935. The District imposes a monthly surcharge of \$6.50 on all customer accounts to cover the debt service.

#### **4. Cost Avoidance Opportunities**

The District uses a conservative, long-term planning approach to control spending and prioritize needs. The District capitalized on a major cost avoidance opportunity with the purchase of the Sugar Pine Dam

as it significantly reduced the long-term cost of water supply. The District controls operational costs through its annual budgeting process and district management. The District has reduced risk management costs by acquiring insurance through the Special District Risk Management Authority (SDRMA), Association of California Water Agencies (ACWA), and County of Placer. Per District policy, vehicles are purchased through the State's Vehicle Procurement Program, Manufacturer's Government Lease Purchase Program, or any other program that allows for a cost savings on vehicle purchases.

## **5. Management Efficiencies**

The Foresthill PUD General Manager is responsible for district management and serves with the oversight of the Board of Directors. The District has adopted formal policies which provide a framework for staff decisions and Board actions; all policies are included in a Policy Handbook.

The District has nine full-time staff and has computerized its administrative functions. Utility software is used for payroll, billing, accounting and cash management. The District has adopted policies for educational assistance, training, education and conferences in order to encourage staff development.

## **6. Shared Facilities**

The Foresthill PUD and the US Forest Service share a major water facility in the Sugar Pine Reservoir. The District owns the dam and water rights while the USFS continues to own the land. There are no other public water providers serving adjacent areas and the District has limited opportunity to share facilities with other agencies in the area.

## **7. Rate Restructuring**

### ***Service Rates***

The Foresthill PUD reviews rates annually and makes adjustments as necessary to ensure that the District remains in a stable financial condition while maintaining service levels. A rate study was completed in 2003. Water customers pay the following service rates:

<b>Water Service</b>	<b>Monthly Rates</b>
Base Rate – 5/8 x 3/4" meter w/ up to 10,000 gal	\$22.00
Sugar Pine Surcharge	\$6.50
Water Use Overage – per 1,000 gal	\$1.80

As noted earlier, the Sugar Pine Surcharge is a special water user fee established by ordinance in 2003 in conjunction with the District's purchase of the Sugar Pine Dam, water rights and conveyance system. The charge is applicable to all District customers and will stay in effect until the debt is retired.



### **Connection Fees**

The District charges a connection fee for new service based on meter size, a meter installation fee, and a mainline/distribution line connection charge. Rates are as follows:

Connection Fees	Rates
Connection Charge (5/8 x 3/4" meter)	\$4,300
Meter Installation	\$625
Connection to main or distribution line	\$700

### **8. Government Structure Options**

The Foresthill PUD was formed under the Public Utility District Act (Public Utilities Code §15501 et seq.) on August 5, 1950. The District's sphere of influence extends north and northwest of the District's current boundaries. The Baker Ranch Water District, which only serves the Baker Ranch Mobile Home Park, lies within the PUD's sphere of influence. The District has latent powers which could be used in the future, such as for hydroelectric power generation. There are no other public water agencies in the area capable of serving the Foresthill community, and no other government structure options were noted, except as discussed below.

#### **Forest Ranch Annexation**

The proposed Forest Ranch development encompasses 2,616 acres north and east of the community of Foresthill. The majority of the project site is situated north of Foresthill Road, with a portion located east of Foresthill Road. Blackhawk Lane forms a northeasterly boundary for a portion of the site with Yankee Jim's Road traversing the southwesterly portion. Approximately 1,000 acres or 38% of the project site lies within the Foresthill PUD's current boundaries. In order to provide water service to the entire development the District would require that the Forest Ranch development annex to the District. However, the District has confirmed through the mandatory SB610 Compliance Study that it may not have adequate water supply to serve the entire development. The conclusion is based on the District's adopted reliability standard of a 10-year drought followed by a 100-year drought, followed by a mean water year.

The District does not have plans to develop or acquire additional water supplies. The District has a historical policy of reserving water supplies for proposed projects and existing lots within present District boundaries on a first come, first served basis. The only water available for projects outside District boundaries would be surplus supplies after full build-out within the boundaries, based on the current General Plan. The District does have water supply to meet the demand of the 524 dwelling units to be located within current District boundaries.

### **9. Local Accountability and Governance**

The Foresthill PUD is governed by a five-member Board of Directors elected at large by voters within the District. The past three District elections have been uncontested. In 2005 the District had two vacancies

occur on the Board of Directors. Multiple candidates applied to fill the positions; the Board appointed two new directors to complete the terms of the open seats. The current board is as follows:

1

Board Member	Title	Term of Office	Compensation
Brett C. Grant	President	2008	None
George S. Shaw	Vice President	2006	None
Gregory L. Wells	Treasurer	2008	None
Duane L. Frink	Director	2006	None
William L. Sadler, Jr.	Director	2006	None

District meetings are held the second Wednesday of each month at 7:00 p.m. at the District's offices located at 24540 Main Street, Foresthill. Public notice of meetings is provided through posting and newspapers at least 72 hours before each meeting. The District publishes a newsletter that is distributed to all customers. It also has a website with information on services, District activities, and minutes of board meetings ([www.foresthillpud.com](http://www.foresthillpud.com)).

The District encourages public participation in meetings and governance. In 1996 a Water System oversight committee was formed. The twelve-member citizen advisory committee was tasked to research funding for a \$3.7 million water improvement project. The District also utilizes members of the public to assist and participate with the Finance Committee in preparing a draft budget and evaluating special financing issues.

#### – DETERMINATIONS –

##### ***1) Population and Growth***

Land use within the Foresthill Public Utility District boundaries ranges from single and multi-family residential to agriculture, forest and timber with some commercial uses. Moderate growth is expected as the area continues to develop per the 1981 Foresthill General Plan.

The proposed Forest Ranch Project, with 2,213 residential units, will significantly increase population and water demand if approved. The Foresthill PUD's current boundaries would only include 524 potential units. This level of growth would impact regional water supplies within this portion of Placer County.

##### ***2) Infrastructure Needs and Deficiencies***

The Foresthill PUD provides potable water service. Raw water is obtained from Mill Creek, North Shirttail Creek, and the Sugar Pine Reservoir. It is treated at the District's facility in Foresthill. Supply is adequate to meet demand for the development and growth within the District's current boundary as included in the 1981 Foresthill General Plan.

The District plans to update its Water System Master Plan, including capital improvements, based on a newly-adopted Foresthill Divide Community Plan.

The District maintains the system infrastructure and has designated reserves for future capital improvements and maintenance needs.

### ***3) Financing Constraints and Opportunities***

The Foresthill PUD receives revenue from service charges, fees, property taxes, and interest income. Revenues are adequate to cover operational expenses, debt service and reserves.

The District has reserves for future operational needs as well as restricted reserves for capital improvements and debt service.

The District has long-term debt associated with the Sugar Pine Dam, treatment plant and infrastructure. The District has financed acquisition and improvements with long-term debt, including bonds and Certifications of Participation. Two assessment districts were formed to cover two bond issues, and the District has imposed a monthly surcharge on all accounts to cover debt service for the Sugar Pine Dam.

### ***4) Cost Avoidance Opportunities***

The Foresthill PUD is controlling costs through the annual budgeting process.

### ***5) Management Efficiencies***

The Foresthill PUD is managed by a General Manager with the Board of Directors providing oversight and direction.

The District has nine full-time staff; almost all of the District's administrative functions and recordkeeping are computerized.

### ***6) Shared Facilities***

The Foresthill PUD owns the Sugar Pine Dam, water rights, and conveyance system, while the USFS owns the land where the reservoir is located. The District has limited opportunity to share facilities with other agencies in the area.

### ***7) Rate Restructuring***

The Foresthill PUD reviews rates annually and adjusts them as necessary through a public process.

The District has a two-tiered rate structure for water usage. Monthly charges include a service charge for meter and usage, Sugar Pine surcharge for debt service on the acquisition of the dam, and an additional charge for usage over the base amount.

### 8) Government Structure Options

The Foresthill PUD was formed under the Public Utility District Act (Public Utilities Code §15501 et seq.). The District has latent powers which could be used in the future, such as for hydroelectric power generation.

The proposed Forest Ranch development may seek to annex to the District in order to receive water service. However, the District has determined that water supply may be insufficient to meet the needs of projects located outside the District's current boundaries.

### 9) Local Accountability and Governance

The Foresthill PUD is governed by a five-member board of Directors elected at large by voters within the District. The District is providing adequate public notice of meetings and the meetings are open and accessible to the public. The District involves the public in an advisory role in governance and finance oversight. The District maintains a website that includes information on services, rates and District activities.

#### – AGENCY PROFILE –

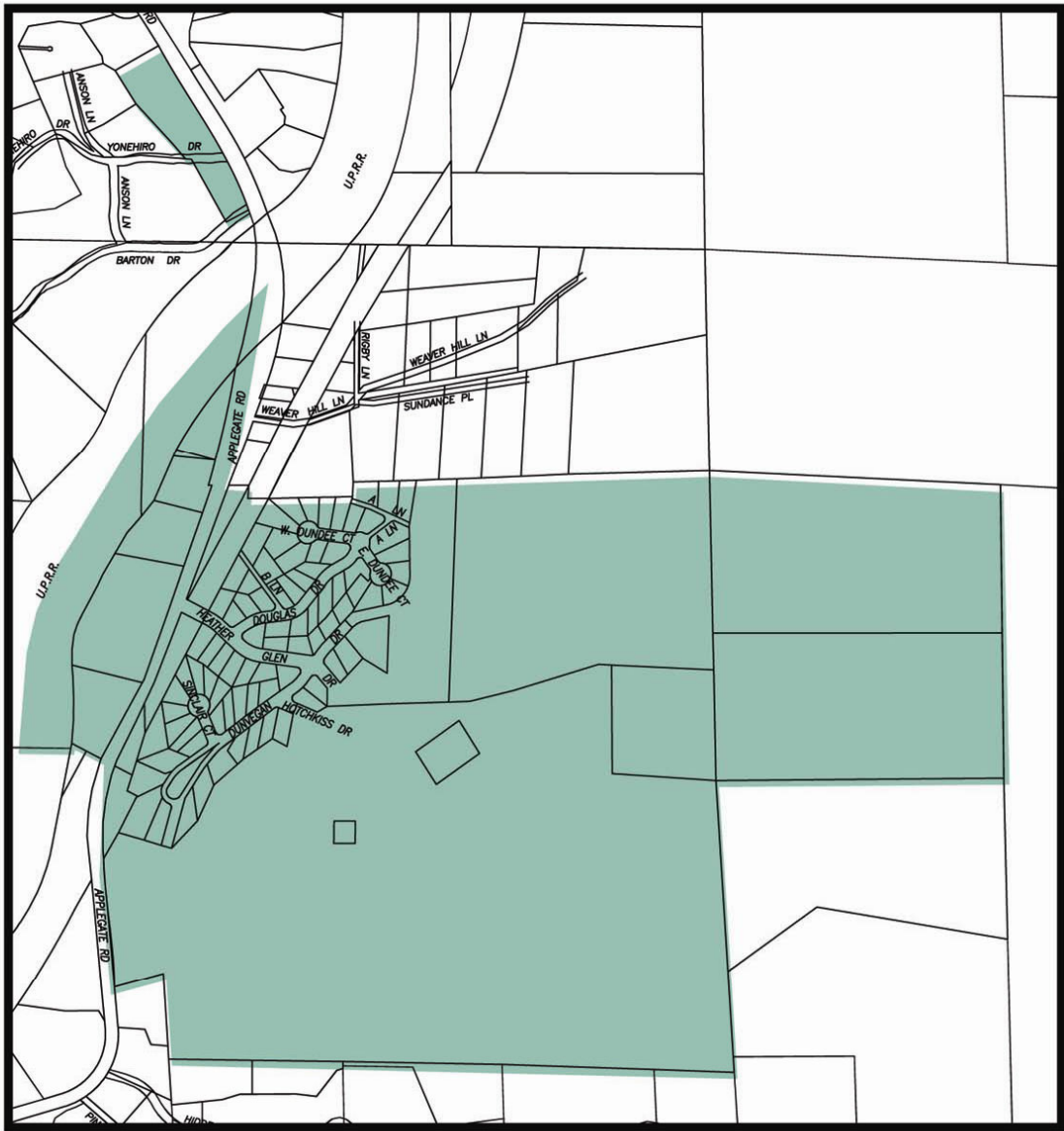
Foresthill Public Utility District			
Contact:	Kurt W. Reed, General Manager		
Mailing Address:	PO Box 266, Foresthill, CA 95631		
Site Address:	24540 Main Street, Foresthill, CA 95631		
Phone Number:	(530) 367-2511		
Fax Number:	(530) 367-4385		
Email/Website	<a href="http://www.foresthillpud.com">www.foresthillpud.com</a> ; kreed@foresthillpud.com		
Types of Services:	Potable Water		
Population Served:	~ 5,500		
Size of Service Area (sq miles):	20 sq miles		
Staff and Infrastructure			
Staff: FTE	9		
Number of Connections	1,672 residential, 91 commercial, 1 industrial		
Annual Demand	1,154 AF		
Storage Capacity	2.5 million gallons		
Water Source	Sugar Pine Reservoir		
Financial Information			
Water Service Budget: (FY 2004-2005)	Revenues	Expenses	Reserves (June 30, 2005)
	\$1,363,972	\$1,334,699	\$1,144,885

## **5. HEATHER GLEN COMMUNITY SERVICES DISTRICT**

### **Overview**

The Heather Glen Community Services District (CSD) was formed in 1963 to serve the Heather Glen Mobile Home Park located between Applegate and Weimar. The District's boundaries encompass approximately 40 acres, or 0.06 square miles in unincorporated area. The District provides water, wastewater and road maintenance services; raw water is purchased from the Placer County Water Agency and treated at the District's treatment plant. Revenues are derived from service charges, fees and property taxes. The District is governed by a five-member Board of Directors elected at large by voters within the District.

A map of the Heather Glen CSD follows.



HEATHER GLEN CSD



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## **1. Growth and Population**

The Heather Glen CSD serves an area zoned for residential agriculture and single-family residential. The District serves 79 mobile home units and estimates current population at 120. The subdivision includes 80 lots and is built-out; no additional growth is anticipated. However, the District is extending service to 14 additional accounts which will increase the population served by approximately 18%.

The Sacramento Area Council of Governments (SACOG) has developed population projections for the counties and cities within its jurisdiction as well as Regional Analysis Districts (RAD). The Heather Glen CSD lies within the Colfax RAD. Per the SACOG March 2001 projections, population within the Colfax RAD is expected to increase to 14,758 by 2025 at an average annual growth rate of 0.6%.

## **2. Infrastructure Needs and Deficiencies**

The Heather Glen CSD provides potable water for residential use. Raw water is purchased from the Placer County Water Agency and delivered to the District through the Boardman Canal which originates at Lake Spaulding in Nevada County. The District has a package treatment plant and a 100,000 gallon redwood storage tank.

The Weimar Water Company is contracted to operate and maintain the treatment plant, and the District is responsible for the distribution system. All of the accounts are metered. The water treatment plant is relatively old and is carefully maintained to ensure its reliability. The plant operates approximately 5 to 6 hours per day; the District notes that there are no capacity issues. The plant's electrical controls are a concern due to their age and condition. The District has recently installed a monitoring and alarm system to alert water treatment operators in the event of a system failure.

The District is planning to extend service to 14 parcels off Barton Road near Applegate Road in the vicinity of the water plant. The cost of the trenching, piping, etc. will be borne by the parcel owners on Barton Road with each property owner paying the District a \$10,000 connection charge. The District will install the water meters, and each property owner will be responsible for the individual water line from the meter to the home. The District's system currently has excess treatment capacity; however an engineering evaluation has not been performed.

### 3. Financing Constraints and Opportunities

The Heather Glen CSD is funded through service charges, fees, property taxes and interest income. Water service is accounted for through an enterprise fund along with sewer service and road maintenance. The following summarizes the District's finances:

Heather Glen CSD Financial Summary

Finances	FY 02-03 Actual	FY 03-04 Actual	FY 04-05 Est. Actual
<b>Sources</b>			
Water Service Fees	\$40,982	\$49,039	\$45,448
Sewer Service Charge	\$3,744	\$3,748	\$3,792
Roadway Service Charge	\$6,636	\$6,636	\$6,671
Property Tax	\$6,606	\$4,831	\$3,162
Other Income	\$355	\$330	\$365
Interest Income	\$1,920	\$1,482	\$1,717
<b>Total Sources</b>	<b>\$60,243</b>	<b>\$66,066</b>	<b>\$61,155</b>
<b>Uses</b>			
Water Service	\$31,101	\$33,846	\$30,350
Administrative/Customer Service	\$14,231	\$18,073	\$16,902
Sewage Collection	\$1,698	\$3,333	\$1,756
Roads, Parks – Utilities	\$8,684	\$473	\$618
<b>Total Uses</b>	<b>\$55,715</b>	<b>\$55,725</b>	<b>\$49,626</b>
<b>Net Surplus/(Deficit)</b>	<b>\$4,528</b>	<b>\$10,341</b>	<b>\$8,685</b>
<b>Reserve Balance, end of year</b>	<b>\$73,972</b>	<b>\$82,967</b>	<b>\$75,985</b>

The County Treasurer is the depository and has custody of the District's funds, as required by Government Code §61730. The District undergoes a financial audit every two years; the most recent audit was conducted for FY ending June 30, 2003.

The District has no long-term debt and has reserves for future needs. At June 30, 2003 the District had a total of \$128,974 in reserves, of which \$43,636 were designated for the General Fund.

### 4. Cost Avoidance Opportunities

The Heather Glen CSD controls costs through the budgeting process and operates with minimal overhead. The District acts on the recommendations of the Weimar Water Company for maintenance needs at the treatment plant, reducing the potential for costly emergency repairs.



## 5. Management Efficiencies

The Board of Directors of the Heather Glen CSD manages the district and gives direction and supervision to the Weimar Water Company. Weimar Water has been maintaining the water system by contract for over fifteen years. Weimar staff is on-call 24-hours a day.

The District employs a secretary on a part-time basis and uses an outside firm to perform the accounting functions, including customer billing.

## 6. Shared Facilities

The Heather Glen CSD has limited opportunity to share facilities with other water agencies.

## 7. Rate Restructuring

The District's water service fees include a water plant fee, water usage charge and a PCWA surcharge. The District has a tiered rate structure for water usage. Rates are reviewed annually. The current water service rates are as follows:

Fee	Monthly Rates FY 2004-2005
Administration Fee	\$14.00
Water Plant Fee	\$19.00
PCWA Charge	\$2.00
Water Use Charge – per billing unit (748 gallons)	\$1.00

Rates are reviewed if the cost of service increases. Rate changes are implemented through a public process and Board resolution.

Water service from PCWA is metered. The District pays the following rates for raw water:

Fee	PCWA Rates
Resale Service Fee	\$52.06
Water Use (in Miners Inch Days)	
0 – 1,000 MID	\$4.51
Over 1,000 MID	\$4.15

In June 2005 the District used 90 MIDs and always stays within the first tier.

## 8. Government Structure Options

The Heather Glen CSD was formed under Community Services District Law (Government Code §61000 et seq.) on September 10, 1963. The District's sphere of influence is coterminous with its boundary. There are no other agencies within the area that could provide all of the services of the district; therefore no government structure options were identified.

As discussed earlier, the District is planning to extend service to 14 parcels along Barton Road in the vicinity of the water treatment plant. If these parcels are outside the District's boundary, the District will need to work with LAFCO on expanding the District's boundaries to include that area, or approving an out-of-agency service agreement.

## **9. Local Accountability and Governance**

The Heather Glen CSD is governed by a five-member board of Directors elected at large by voters within the District. Candidates in the last three elections ran uncontested. The current board is as follows:

Board Member	Title	Term of Office	Compensation
Maxwell Bailey	President	2008	None
Jack C. Lyon	Vice President	2006	None
Gary Benjestorf	Director	2008	None
Joel Reeves	Director	2006	None
Judith Shrum	Director	2006	None

District meetings are held the third Tuesday of February, May, August, and November at 7 p.m. at the Applegate Civic Center. Public notice of meetings is sent with the monthly water billing in the prior month. The District also provides information through newsletters and bill inserts.

### **– DETERMINATIONS –**

#### ***1) Population and Growth***

The Heather Glen Community Services District serves a 0.06 square mile area. The area includes a mobile home park subdivision and is zoned for single-family residential. The area is built-out and future growth will be limited.

#### ***2) Infrastructure Needs and Deficiencies***

The Heather Glen CSD provides water, wastewater and road maintenance services. Raw water is obtained from the Placer County Water Agency through the Boardman Canal and treated by the District at its water treatment plant.

The District contracts with the Weimar Water Company to maintain the water treatment plant; improvements and repairs are approved based on Weimar's recommendations and available funding.

The District is responsible for the water distribution system. No needs or deficiencies were reported.

***3) Financing Constraints and Opportunities***

The Heather Glen CSD is funded through service charges, fees, property taxes and interest income. Water service is accounted for through an enterprise fund, along with wastewater and road maintenance services. Revenues have been adequate to cover the cost of service.

The District has reserves for future operational needs. The District has no long-term debt.

***4) Cost Avoidance Opportunities***

The Heather Glen CSD is controlling costs through the annual budgeting process and operates with minimal overhead.

***5) Management Efficiencies***

The Heather Glen CSD contracts with the Weimar Water Company to manage the water treatment plant, which results in greater efficiencies.

The District employs a secretary on a part-time basis and contracts for accounting services.

***6) Shared Facilities***

The Heather Glen CSD has limited opportunity to share facilities with other water agencies.

***7) Rate Restructuring***

The Heather Glen CSD has a tiered rate structure for water use; water service charges also include a treatment plant charge and a PCWA surcharge for the resale service fee.

The District reviews rates when the cost of service increases and adjusts rates as necessary through a public process.

***8) Government Structure Options***

The Heather Glen CSD was formed under Community Services District Law (Government Code §61000 et seq.). There are no other agencies in the area that could provide the same services, and no other government structure options were identified.

***9) Local Accountability and Governance***

The Heather Glen CSD is governed by a five-member board of Directors elected at large by voters within the District. The District is providing adequate public notice of meetings and the meetings are open and accessible to the public.

- AGENCY PROFILE -

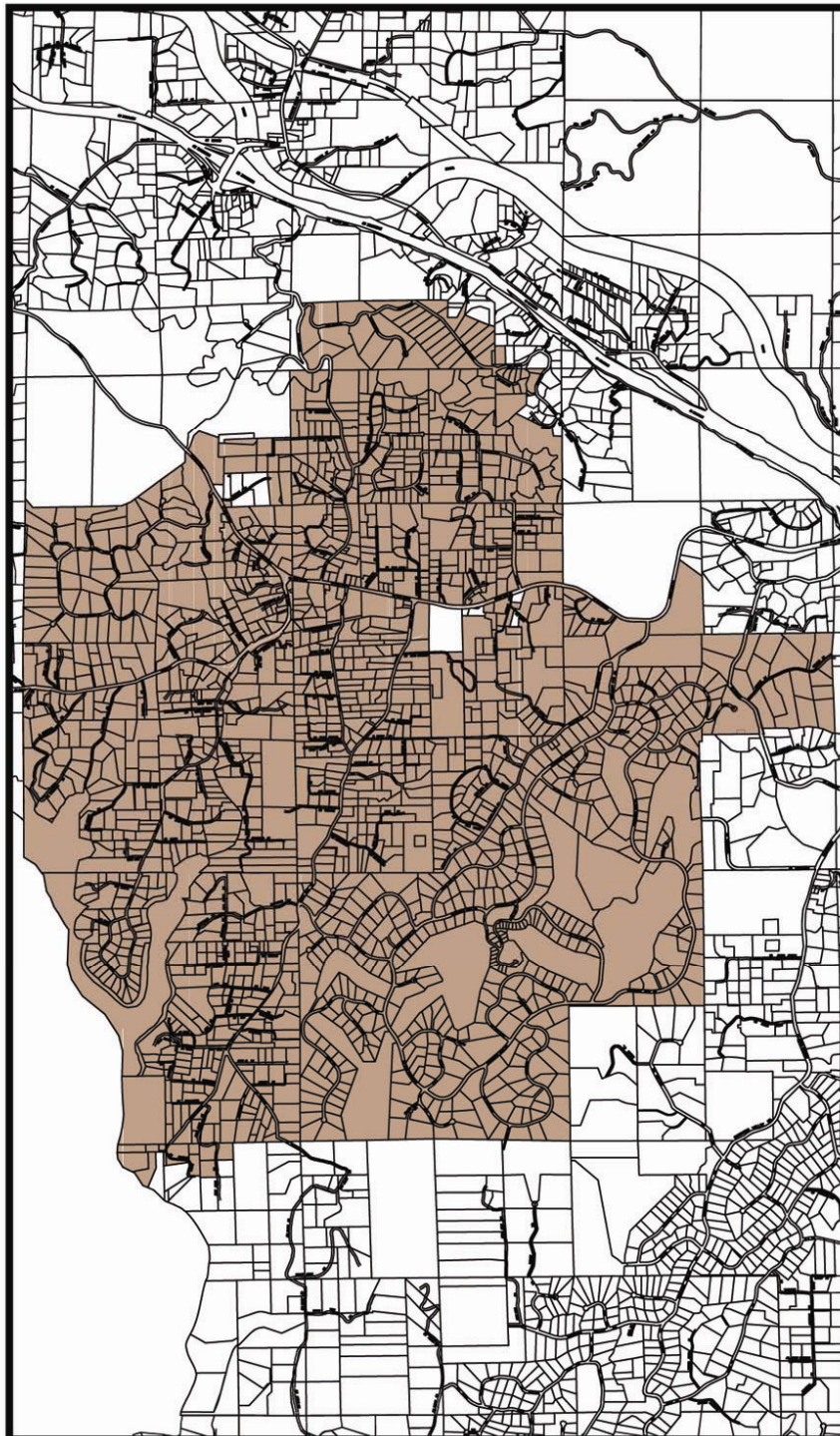
Heather Glen Community Services District			
Contact:	Maxwell Bailey, President		
Mailing Address:	PO Box 715, Applegate, CA 95703		
Site Address:	Same		
Phone Number:	(530) 878-8634		
Fax Number:	NA		
Email/Website	none		
Types of Services:	Water, wastewater, road maintenance, parks		
Population Served:	~ 120		
Size of Service Area (sq miles):	0.06 sq miles		
Staff and Infrastructure			
Staff: FTE	1 Part time		
Number of Connections	79		
Potable Demand	-- AF/Yr		
Storage Capacity	100,000 gallons		
Water Source	Boardman Canal / Lake Spaulding		
Financial Information			
Water Service Budget: (FY 2005)	Revenues	Expenses	Fund Balance (est. June 30, 2005)
	\$61,155	\$49,626	\$75,985

## **6. MEADOW VISTA COUNTY WATER DISTRICT**

### **Overview**

The Meadow Vista County Water District (CWD) was formed in 1950 and serves a 6.25-square mile area in the unincorporated area of Meadow Vista. The District provides potable water for residential and commercial use; raw water is purchased from the Placer County Water Agency and treated at the District's treatment plant. Revenues are derived from service charges, fees, and property taxes. The District is governed by a five-member Board of Directors elected at large by voters within the District.

A map of the Meadow Vista County Water District follows.



MEADOW VISTA WATER

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AUGUST, 2005

*Note: Sphere of Influence Not Shown*

## 1. Growth and Population

Land use within the Meadow Vista CWD boundaries includes single family and rural residential, with agriculture, farms and some commercial. Population within the District's service area is approximately 3,400. The Sacramento Area Council of Governments (SACOG) has developed population projections for the counties and cities within its jurisdiction as well as Regional Analysis Districts (RAD). The Meadow Vista CWD lies within the Colfax and North Auburn RADs. Per the SACOG March 2001 projections, population within the Colfax RAD is expected to increase to 14,758 by 2025 at an average annual growth rate of 0.6%. Population within the North Auburn RAD is expected to increase to 26,753 by 2025 at an average annual growth rate of 2.3%.

The District averages approximately 45 new connections per year, primarily due to development and groundwater issues on sites with existing wells. The Winchester Country Club lies within the District's boundaries; it has a total of 409 parcels, of which 80 are currently receiving service. This represents a significant potential for growth and increased water demand, which the District has planned for.

## 2. Infrastructure Needs and Deficiencies

The Meadow Vista County Water District provides potable water to approximately 1,300 residential and 62 commercial accounts. Raw water is purchased from the Placer County Water Agency and treated at the District's water treatment plant. The District's current service agreement with PCWA is for a flow of 125 miner's inches per day. The water supply is delivered through the Boardman Canal which originates at Alta Lake. In summer the District's average day demand is 1.8 million gallons, with a maximum day demand of 2.1 million gallons. Raw water for irrigation use at the Winchester golf course passes through the District. A local park and school are irrigated with treated water as there is no infrastructure to deliver raw water to the sites.

### ***System Infrastructure***

The Meadow Vista CWD system infrastructure includes the following components:

Facility	Treated
Reservoirs /Tanks	4.5 mg
Pump Stations	1
Pressure Zones	3

The District's treatment plant has a capacity of 2.5 million gallons per day with 2.5 million gallons of treated water storage. This includes 500,000 gallons in two tanks in the Winchester development plus a new 2-million gallon storage tank at the treatment plant. The District is considering converting an older reservoir into a 2 million gallon raw water reservoir. The District received a low interest loan through the Safe Drinking Water State Revolving Fund to plan and design upgrades to the water treatment plant and steel storage tanks to replace the in-ground reservoirs; the project has an estimated construction cost of \$10 million. The District noted that it has adequate treatment and storage capacity to serve the parcels within its boundaries as long as the minimum size does not fall below two acres.



The District has replaced nearly all of the old steel mainline with C900 plastic. The system has a 13% unaccounted for water loss, which should be reduced with the mainline improvements.

The majority of the distribution system is gravity feed. A booster pump is used to fill the storage tanks in Winchester. A pressure station with backup generator has been added to the system for service to parcels along Mountain View and Ridge View in order to eliminate low-pressure issues.

The developer of the Winchester Country Club installed the storage tanks and mainlines throughout the community; however fire regulations have since changed. Parcels in Phase 1 are only required to have a 5/8-inch meter, while those in Phases 2 through 4 are required to have 1-inch meters to accommodate sprinkler systems inside the homes for fire protection. The District installs the one-inch meters as required but only charges property owners the rate for 3/4-inch meters. The maximum flow the District can provide with current piping is 30 gpm, which is the flow rate for a 3/4- inch meter.

The District is performing all maintenance and repairs on the system with in-house staff. All of the storage tanks and pumps are covered by an alarm system that automatically alerts on-call staff when the system is not operating correctly.



### 3. Financing Constraints and Opportunities

The Meadow Vista CWD is funded through service charges, fees, property taxes and interest income. The District has seen a steady increase in revenue primarily due to the development occurring in Winchester, resulting in new connections and increased water use. The following summarizes the District's finances:

**Meadow Vista CWD Financial Summary**

Finances	CY 2003 Actual	CY 2004 Actual	CY 2005 Budget
<b>Revenue</b>			
Water Sales	\$534,963	\$595,556	\$612,346
New Meter Sets	\$5,950	\$12,475	\$5,275
Other Income, Service Charges, Rental Income	\$18,550	\$20,266	\$9,800
Major Facilities Fees	\$98,700	\$211,400	\$97,600
Property Taxes	\$152,451	\$134,787	\$98,722
State Tax Shift surcharge	\$43,989	\$45,285	\$124,000
Annexation/Out of District fees	\$9,116	\$4,344	\$0
Interest Income	\$5,946	\$5,673	\$6,100
<b>Total Revenue</b>	<b>\$869,665</b>	<b>\$1,029,786</b>	<b>\$953,843</b>
<b>Expenses</b>			
Water Supply	\$103,226	\$114,565	\$130,000
Water Treatment	\$195,012	\$196,020	\$216,032
Transmission and Distribution	\$185,789	\$205,837	\$217,748
Customer Accts/Admin	\$168,635	\$178,158	\$192,368
Depreciation	\$119,713	\$117,851	\$62,225
Interest Expense / Misc	\$33,100	\$23,307	\$37,870
<b>Total Expenses</b>	<b>\$805,475</b>	<b>\$835,738</b>	<b>\$856,243</b>
<b>Net Surplus/(Deficit)</b>	<b>\$64,190</b>	<b>\$194,048</b>	<b>\$97,600</b>
<b>Reserve Balance, end of year</b>	<b>\$543,078</b>	<b>\$620,836</b>	

The County Treasurer holds and invests the District's reserves. The District undergoes an annual financial audit with the most recent audit conducted for year ending December 31, 2004.

The District restricts cash and investments for special purposes, such as infrastructure improvements and debt service. As of December 31, 2004, the District set aside \$308,120 in reserves for the following: major facilities, contingency, vehicle replacement, revenue bond service, revenue bond debt service, and Safe Drinking Water Act debt service.

In 1975 the District issued \$800,000 in revenue bonds to finance the construction of the water treatment plant. The bonds have an interest rate of 5% per annum; annual principal payments through 2007 are \$30,000, increasing to \$35,000 in 2008. The principal balance at December 31, 2004 was \$370,000.

As noted in the discussion on infrastructure, in 2004 the District secured a loan from the State of California Department of Water Resources for \$73,305 to fund a planning and engineering study for new water storage tanks. The loan has an interest rate of 2.513% and matures in 2009. Semi-annual principal and interest payments are \$7,847. The District is considering rolling this loan into a construction loan for the project. The estimated cost of construction is \$10 million.

#### **4. Cost Avoidance Opportunities**

The Meadow Vista CWD controls costs through the budgeting process and district management. The District operates with a limited staff of six, using temporary labor as needed for capital projects. Meeting times were changed to late afternoon so that the District would not have to pay staff overtime.

#### **5. Management Efficiencies**

The Meadow Vista CWD General Manager is responsible for district management and serves with the oversight of the Board of Directors. The District has one full-time water treatment plant operator, two full-time field staff, and two full-time office staff. All four field staff are certified for treatment and distribution as required by DHS: two staff have Grade 2 and two have Grade 3 certifications for treatment, and all four have Grade 2 certifications for distribution. Field staff is on-call 24 hours per day, seven days per week on a rotating basis.

#### **6. Shared Facilities**

The Meadow Vista CWD has limited opportunities to share facilities with other agencies.

#### **7. Rate Restructuring**

##### ***Service Rates***

The Meadow Vista CWD reviews rates annually and makes adjustments as necessary to ensure that the District remains in a stable financial condition and that water quality and service levels are maintained. Over the past ten years the District has increased the water use rate an average of 5 cents per unit each year. Rate increases are noticed in the local newspaper for one week prior to Board approval.

Customers within the Winchester community pay an additional pumping charge to cover the cost to fill the two storage tanks that serve the community. The District imposes a “State Tax Shift” surcharge on all customers to cover the loss in property tax revenue due to the required ERAF III tax shift included in the State Budget Act of 2004. The current water service rates are as follows:

Treated Water Service	Monthly Rates
Service Charge – 5/8" meter	\$13.50
State Tax Shift surcharge	\$8.08
Water Use Charge – per hundred cubic feet (CCF)	\$0.93
Winchester Country Club sites: Pumping charge	\$2.00

### **Connection Fees**

The District's connection fees are based on meter size and include a meter set fee, major facilities fee, deposit and service charge. Fees within the Winchester development are slightly lower as the meter box is already in place. Rates are as follows:

Connection Fees	District (outside Winchester)	Winchester
Meter Size /Flow Rate	¾" – 30 gpm	¾" – 30 gpm
Meter Set Fee	\$425	\$325
Major Facilities Fee	\$4,950	\$4,950
Deposit	\$50	\$50
Service Charge	\$15	\$15
Total Charge	\$5,440	\$5,340

### **Annexation Fees**

The Meadow Vista CWD imposes a per-acre annexation fee, per Ordinance No. 314-89. The fee increases yearly based on the CPI, rounded to the nearest \$25. The fee has increased \$25 per year since 2000, with the 2005 rate at \$1,075 per acre.

### **Wholesale Purchase Rates**

Water service from PCWA is metered. The District pays the following rates for water:

PCWA	Monthly Rates
Resale Service Fee	\$52.06
Water Use (in Miners Inch Days)	
0 – 1,000 MID	\$4.51
Over 1,000 MID	\$4.15

## **8. Government Structure Options**

The Meadow Vista CWD was formed under County Water District Law (California Water Code §30000 et seq.) on May 2, 1950. The District's sphere of influence extends east to the I-80 (with some areas excluded) and west to the Nevada Irrigation District boundary. The Christian Valley CSD lies to the

southeast, and the Midway Heights CWD lies to the northwest. Meadow Vista shares boundary lines with both districts.

### ***Applegate Annexation***

The Midway Heights CWD has been approached by a group of homeowners from the Applegate area west of the I-80 and south of the current Midway Heights boundary regarding annexation to Midway Heights. The area proposed for annexation is in the Crother Hills Estates development; this area is within the Meadow Vista CWD's sphere of influence. Meadow Vista indicated that it would be more efficient for this area to be served by Midway Heights; therefore it is recommended that the Sphere of Influence for Meadow Vista be adjusted to exclude this area.

### ***Out of Agency Service***

The Meadow Vista CWD District provides treated water to one parcel within the boundaries of Midway Heights. The property owner is billed directly by Meadow Vista. LAFCO may want to evaluate the boundaries of the two agencies with respect to this parcel when the next SOI updates are prepared.

## **9. Local Accountability and Governance**

The Meadow Vista CWD is governed by a five-member board of Directors elected at large by voters within the District. The current board is as follows:

Board Member	Title	Term of Office	Compensation
Sandy Hoffman	Chairperson	2009	\$50 per mtg.
Brenda McGuire	Vice Chairperson	2009	\$50 per mtg.
Anthony O. AhMu	Director	2007	\$50 per mtg.
Earl R. McNinch	Director	2007	\$50 per mtg.
Anne A. Jewett	Director	2007	\$50 per mtg.

District meetings are held the third Thursday of each month at 3:30 p.m. at the District's offices located at 17000 Placer Hills Road, Meadow Vista. Public notice of meetings is posted in three locations at least 72 hours before each meeting. The District also issues an annual water quality report.

### **– DETERMINATIONS –**

#### ***1) Population and Growth***

Land use within the Meadow Vista County Water District boundaries ranges from residential to agriculture and farming, with some commercial uses. Moderate growth is expected as the Winchester Country Club continues to develop. Growth within other areas of the District will be due to parcel splits and development.

***2) Infrastructure Needs and Deficiencies***

The Meadow Vista CWD provides potable water service. Raw water is obtained from the Placer County Water Agency through the Boardman Canal and treated at the District's treatment plant. Supply is adequate to meet current demand.

The District is upgrading its storage tanks, replacing in-ground reservoirs with steel tanks.

The District maintains the system infrastructure and has designated reserves for future maintenance needs.

***3) Financing Constraints and Opportunities***

The Meadow Vista CWD is funded through service charges, fees, property taxes, and interest income. Revenues are adequate to cover operational expenses, debt service and reserves.

The District has reserves for future operational needs as well as restricted reserves for capital improvements, equipment and debt service.

The District has long-term debt associated with its water treatment plant and storage facilities. The District has outstanding revenue bonds and a low interest loan from the State Department of Water Resources. Annual principal payments on the debt are approximately \$44,000.

***4) Cost Avoidance Opportunities***

The Meadow Vista CWD is controlling costs through the annual budgeting process.

***5) Management Efficiencies***

The Meadow Vista CWD is managed by a General Manager with the Board of Directors providing oversight and direction.

The District has six full-time staff; all four field staff are DHS-certified for water treatment and distribution.

***6) Shared Facilities***

The Meadow Vista CWD has limited opportunity to share facilities with other agencies.

***7) Rate Restructuring***

The Meadow Vista CWD reviews rates annually and adjusts them as necessary through a public process.

The District has a flat rate structure for water usage. Monthly charges include a service charge, State Tax Shift surcharge, and usage; properties within the Winchester development pay an additional pumping charge to cover the cost of pumping to fill the two storage tanks that serve the community.

The District's connection fees and per-acre annexation fee are structured to cover the cost of new service, as well as contribute to capital improvement funding.

#### 8) *Government Structure Options*

The Meadow Vista CWD was formed under County Water District Law (Water Code §30000 et seq.). The District is providing adequate service, and no other government structure options were identified.

An area within Applegate is considering annexation to the Midway Heights County Water District. Both Midway Heights and Meadow Vista are in agreement that service to this area would be most efficient through Midway Heights. This area should be excluded from the sphere of influence for Meadow Vista CWD during the next sphere update.

The Meadow Vista CWD provides treated water to one parcel within the Midway Heights service area. LAFCO may consider adjusting the boundaries of the two districts during the next sphere update.

#### 9) *Local Accountability and Governance*

The Meadow Vista CWD is governed by a five-member board of Directors elected at large by voters within the District. The District is providing adequate public notice of meetings and the meetings are open and accessible to the public.

### – AGENCY PROFILE –

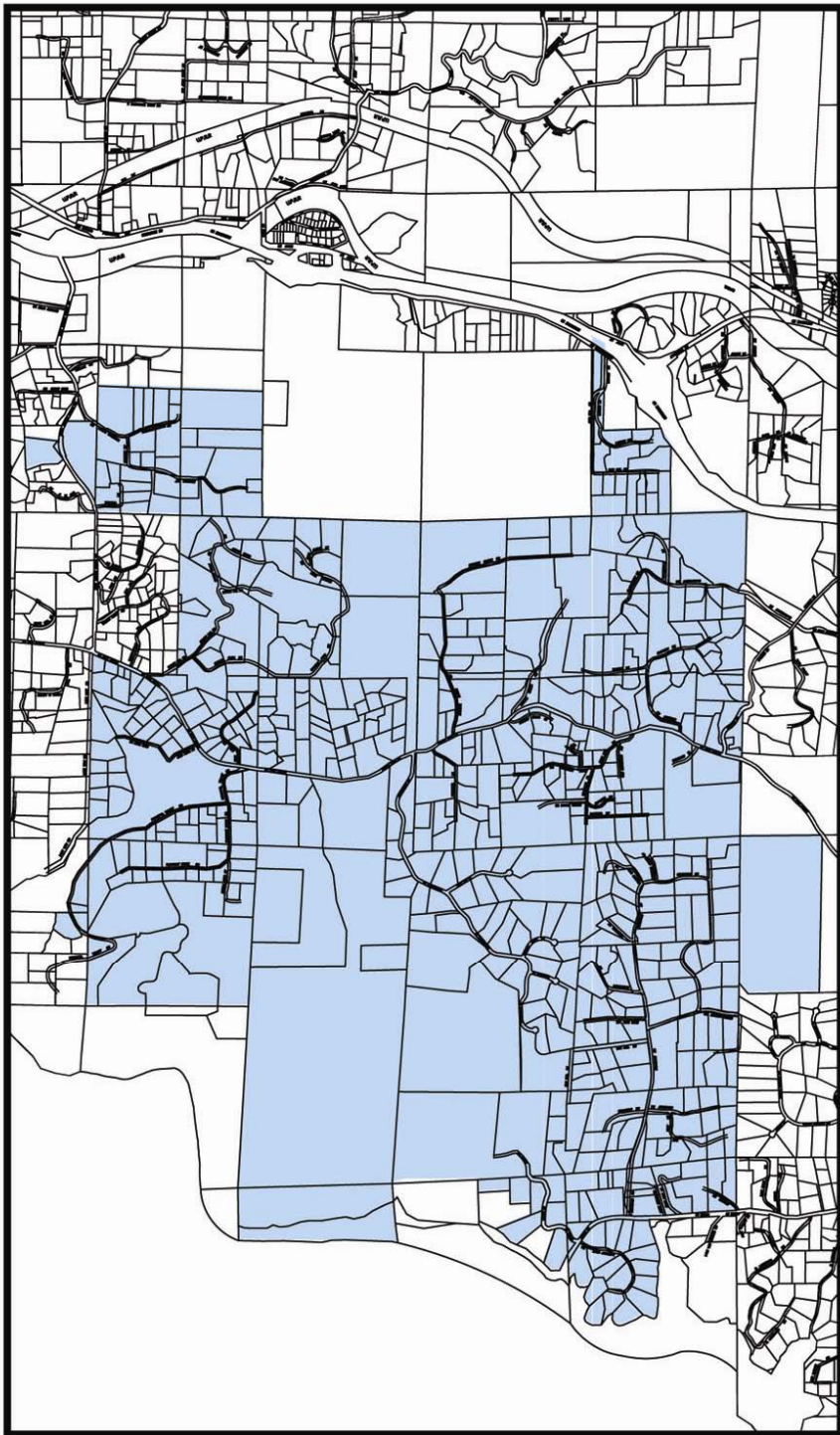
Meadow Vista County Water District			
Contact:	Norman Dean, Jr., General Manager		
Mailing Address:	17000 Placer Hills Road, Meadow Vista, CA 95722		
Site Address:	Same		
Phone Number:	(530) 878-0828		
Fax Number:	(530) 878-8116		
Email/Website	None		
Types of Services:	Potable Water		
Population Served:	~ 3,400		
Size of Service Area (sq miles):	6.25 sq miles		
Staff and Infrastructure			
Staff: FTE	6 FT		
Number of Connections	1,300 residential, 62 commercial		
Annual Demand			
Storage Capacity	2.5 million gallons		
Water Source	PCWA / Boardman Canal		
Financial Information			
Water Service Budget: (CY 2005)	Revenues	Expenses	Reserves (December 31, 2004)
	\$953,843	\$856,243	\$620,836

## **7. MIDWAY HEIGHTS COUNTY WATER DISTRICT**

### **Overview**

The Midway Heights County Water District was formed in 1954 and serves a four-square mile area in the unincorporated area of northern Meadow Vista and western Weimar. The District provides both irrigation and potable water; irrigation water is purchased from the Placer County Water Agency and treated water is supplied by the Weimar Water Company. Revenues are derived from service charges, property taxes and assessments. The District is governed by a five-member Board of Directors elected at large by voters within the District.

A map of the Midway Heights County Water District follows.



MIDWAY HEIGHTS WATER

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AUGUST, 2005



## **1. Growth and Population**

Land use within the Midway Heights CWD boundaries ranges from rural low density residential to rural estate and agriculture with some recreation and open space along the western edge. The District estimates that the population within its service area is approximately 1,600 based on the 2000 US Census. The Sacramento Area Council of Governments (SACOG) has developed population projections for the counties and cities within its jurisdiction as well as Regional Analysis Districts (RAD). The Midway Heights County Water District lies within the Colfax RAD. Per the SACOG March 2001 projections, population within the Colfax RAD is expected to increase to 14,758 by 2025 at an average annual growth rate of 0.6%.

New connections average approximately 15 – 20 per year, primarily due to issues with groundwater wells and growth. Although the overall population growth may be slow, the number of people served by the District is expected to increase at a higher rate as more parcels seek water service and move off of wells.

## **2. Infrastructure Needs and Deficiencies**

The Midway Heights County Water District provides both potable and irrigation water. The District currently serves 394 treated water customers and 332 irrigation customers. Raw water for irrigation use is purchased from the Placer County Water Agency and drawn from the Boardman Canal. Treated water is purchased from the Weimar Water Company. The District has contracts for water service with both suppliers.

### ***Water Supply and Demand***

The District's current service agreement with the Placer County Water Agency became effective July 2005. The agreement is for a flow of 54 miner's inches for winter and 99 for summer water. The water source originates at Lake Spaulding in Nevada County and is delivered through the Boardman Canal. The supply is not guaranteed to be continuous and is interruptible. For the period of April 2004 through April 2005, the District purchased 21,930 miner's inch days, with approximately 78% of that amount delivered in the seven month period ending October 2004. Only one irrigation account is using a significant amount of water, up to 5 miner's inches per month. Almost all of the other irrigation accounts are using one miner's inch or less (one miner's inch is adequate for 5 acres).

The agreement with the Weimar Water Company provides for a maximum of 200,000 gallons of treated water per day over any 24-hour period. Temporary deliveries exceeding that amount may be made if capacity is available. Per the terms of the agreement the District is required to maintain its 140,000 gallon storage tank and provide storage for not less than the maximum day demand. The water is delivered through an 8-inch main near Retherford and Mason Roads, approximately 1,700 feet north of the District's northern boundary. The District's policy is to have fire hydrants on the irrigation system only as the supply and size of pipe make it impractical to have hydrants on the treated system.

During the warm month period of April through October the District's current average day demand for potable water is 95,631 gallons, with a maximum day demand of 135,000 gallons. The maximum month demand is 3.77 million gallons. The District notes that irrigation supply and storage is adequate to meet projected needs over the next 10 to 20 years, but treated water supply and storage is not.

### ***System Infrastructure***

The Midway Heights CWD system infrastructure includes the following components:

Facility	Treated	Irrigation
Mainline	23 miles	20 miles
Reservoirs /Tanks	140,000 gal tank 5,000 gal tank – Coyote Estates	5 MG reservoir/ 80,000 gal irrig tank
Pump Stations	1	1
Pressure Zones	10	6

As a health and safety measure, the District maintains over 400 check valves on customer connections due to the delivery of both irrigation and potable water.

The District has some irrigation capacity constraints in the Peaceful Valley area which is served by a 4-inch main. There are approximately 250 parcels throughout the Midway Heights service area that are not provided with irrigation water due to the system's design and capacity. These parcels can be provided with irrigation water provided they obtain easements and provide the necessary system improvements. Additionally, some of these parcels are adjacent to mains and have inactive service boxes or just need to pay the connection fee to receive irrigation service. The connection fee is based on the cost of installing the service which is approximately \$700. The Timber Hills Mutual Water Company provides irrigation water for parcels along Victoria Lane.

There are an estimated 30 homes on Lake Arthur Road below the Boardman Canal that do not have potable water service and residents are using bottled water at this time. This area is outside the District's Sphere of Influence; however the District is considering options on how service could be provided to this area. In addition, residents from the Crother Hills Estates are discussing a possible annexation to the District. Both potable and treated water would be provided to an estimated 100 to 250 parcels in the area. The area is in proximity to the District's existing storage facilities but would require significant infrastructure improvements, including pumps, storage and distribution lines. Extending service to new areas may require replacing undersized mains in some areas. Parcel owners who will benefit are required to bear the full cost of infrastructure improvements if the property is not adjacent to an existing water main. This includes securing and recording the necessary easements.

The District is performing all maintenance and repairs on the system with in-house staff. An alarm system has been installed on the storage tanks and at the pump house. The system automatically alerts

on-call staff when the system is not operating correctly. The treated water system has an 8% unaccounted for water loss due to line flushing and slow leaks. This is well within the 10% benchmark established by the American Waterworks Association.

One of the District's priorities is to open up neglected easements within the District's service area to ensure maintenance access; a number of easements are overgrown with vegetation.

When the District began providing treated water, the Board determined that the most cost-effective solution was to purchase water from Weimar rather than construct its own treatment facilities. However with the rate changes that have occurred over the years, the metrics may have changed making a District-owned treatment plant a more viable option. The District may consider this at some point in the future. If the District did elect to move forward with providing treatment in-house, Weimar would have significant unused capacity at its plant. Weimar is carefully weighing its options for expansion based on whether the Company will continue to supply Midway Heights. This change in service approach would require input from PCWA, for if Midway Heights provides its own treatment and Weimar sells water elsewhere, the increased demand may significantly impact the Boardman Canal.

### 3. Financing Constraints and Opportunities

The Midway Heights CWD is funded through service charges, property taxes, interest income and assessments. The following summarizes the District's finances:

**Midway Heights CWD Financial Summary**

Finances	FY 02-03 Actual	FY 03-04 Actual	FY 04-05 Est. Actual
<b>Revenue</b>			
Service Charges	\$268,727	\$301,119	\$341,560
Property Taxes	\$28,574	\$30,786	\$10,826
Bond Assessments	\$39,967	\$41,067	\$41,067
Interest Income	\$16,032	\$11,094	\$5,700
<b>Total Revenue</b>	<b>\$353,300</b>	<b>\$384,066</b>	<b>\$399,153</b>
<b>Expenses</b>			
Water Purchases	\$86,930	\$94,088	\$132,744
Other Operating Expenses	\$226,711	\$240,575	\$300,676
Interest Expense	\$35,979	\$34,566	\$33,252
<b>Total Expenses</b>	<b>\$349,620</b>	<b>\$369,229</b>	<b>\$466,672</b>
<b>Net Surplus/(Deficit)</b>	<b>\$3,680</b>	<b>\$14,837</b>	<b>(\$67,519)</b>
<b>Reserve Balance, end of year</b>	<b>\$584,605</b>	<b>\$647,586</b>	<b>\$580,067</b>

The County Treasurer holds and invests the District's reserves. For operations the District maintains cash in an outside account; the balance in the account at June 30, 2004 was \$29,924. The District undergoes an annual financial audit; the most recent audit was conducted for FY ending June 30, 2004. The FY 04-05 audit is in progress.

An assessment district was formed in 1990 to construct the treated water system. At that time customers had the option of putting part or all of their connection fees on the tax rolls. Any new parcels annexed after 1990 are not included in the assessment district, but pay for the cost of service through connection fees. Any amount left over after installation of service is deposited into the Treated Capital Facilities Fund. The District does not have a similar fund for the irrigation system.

In addition, the District has designated \$100,500 for FY 2003-2004 as a "Future Occurrences Reserve" to cover future needs for truck and mobile equipment, storage facility, tank maintenance, easement clearing, and system repair and replacement. The District has also established a Rate Stabilization fund in response to the ERAF III tax shift. The fund currently has a balance of approximately \$40,000.

The District financed the construction of the treated water transmission system with a loan from the California Department of Water Resources. The interest rate is 3.3712%, with semi-annual payments of \$38,629. The outstanding balance at June 30, 2004 was \$993,536. In 1990 the District issued limited obligation improvement bonds in the amount of \$1,459,762 in order to provide for assessments to repay the construction loan. The interest rate and terms of the bonds are similar to those of the loan. The balance of the bonds at June 30, 2004 was \$1,001,762. The District has restricted \$239,434 of net assets for debt service.

#### **4. Cost Avoidance Opportunities**

The Midway Heights CWD controls costs through the budgeting process and operates with minimal overhead. The General Manager works full time, while the District Secretary and field staff work part-time. Field staff is used on an as needed basis. The District's office is currently located in the General Manager's residence which reduces overhead costs; however this limits public access and the District is considering establishing an office in a commercial building.

The District participates in the AWWA Joint Powers Insurance Authority, which reduces insurance costs.

#### **5. Management Efficiencies**

The Board of Directors of the Midway Heights CWD gives direction and supervision to the District's General Manager who oversees operations. The General Manager is the only staff currently certified as a Water Distribution Operator (Grade D2) as required by the DHS. The District plans to have additional certified field staff on board in November 2005 with D2 certification in April 2006. The accounting functions are handled by the District Secretary; customers are billed bi-monthly. Operations are regularly evaluated during District meetings, with opportunity for public comment.

## 6. Shared Facilities

The Midway Heights CWD shares treatment facilities with the Weimar Water Company as Weimar has adequate capacity to serve the District. In addition, the District's treated water storage facilities are available as backup or emergency storage for Weimar Water for use in the Midway Heights service area. No other opportunities to share facilities were noted.

## 7. Rate Restructuring

### *Service Rates*

The District reviews rates annually, considering increases in the cost of service and changes in the Consumer Price Index. Rate changes are adopted through a public process. The current water service rates are as follows:

Treated Water Service	Monthly Rates
Service Charge	\$ 18.69
Water Use Charge – per hundred cubic feet (CCF)	
Up to 8 CCF	\$1.95
Over 8 CCF	\$3.90

Irrigation customers may choose between metered or flat rate service. Approximately 70% of the irrigation accounts have elected to have the flat rate service. Current rates are as follows:

Irrigation Water Service	Monthly Rates
Metered: Monthly Service	\$15.14
Use per hundred cubic feet	\$0.22
Non-metered: Annual Service	\$ 455.76 per miner's inch/yr
Additional Seasonal Service	\$303.84 per miner's inch/season

The District has approved a rate increase to go into effect on January 1, 2006. The monthly treated water service charge will be \$20.57 (10% increase) and the non-metered annual service for irrigation water will be \$470.04 (3% increase).

### *Connection Fees*

The District's treated water connection fees are based on the rates that were used when Assessment District No. 1 was formed. Parcels that were assessed the maximum amount of \$3,620.28 for the assessment district are not required to pay a connection fee. Parcels that were assessed less than the maximum pay a connection charge equal to the cost of providing treated water service, but in no case less than the difference between the assessment paid and \$3,620.28. The result is that all parcels connecting to the treated water system pay at least \$3,620.28 for a connection fee. In FY 2002-2003 a homeowner in the Lakeview Hills development/area whose well went dry funded a mainline extension and parcels affected by the Lakeview Hills Reimbursement Agreement are required to pay substantially higher connection fees.

**Wholesale Purchase Rates**

Water service from the Weimar Water Company and PCWA is metered. As a private utility, Weimar's rate structure is reviewed and approved by the California Public Utilities Commission. The District pays the following rates for water:

Fee	Monthly Rates
<b>Weimar:</b>	
Meter	2" = \$661.71
Unit Cost (748 gallons)	\$1.776
<b>PCWA</b>	
Water Use (in Miner's Inches)	
Winter: 1 <sup>st</sup> Inch /month	\$76.41
Add'l inches/month	\$73.87
Summer: 1 <sup>st</sup> inch/month	\$77.26
Next 2 inches/mo	\$71.94
Add'l inches/month	\$73.87

**8. Government Structure Options**

The Midway Heights CWD was formed under County Water District Law (California Water Code §30000 et seq.) on December 9, 1954. The District's sphere of influence is coterminous with its boundary.

**Applegate Annexation**

The District has been approached by a group of homeowners from the Applegate area west of the I-80 and south of the current District boundary regarding annexation to the District. The area proposed for annexation includes approximately 100-250 parcels in the Crother Hills Estates development and surrounding area. This area is experiencing a significant reduction in groundwater availability. An expansion of this size would represent approximately a 25-63% increase in the District's treated water customer base and would result in a significant increase in water demand for both treated and irrigation water. The Weimar Water Company has the treatment capacity to provide the additional water; PCWA has capacity in the Boardman Canal for an increase as well, although PCWA does not reserve capacity for future demand. The cost of extending treated and irrigation water service, including storage, pump stations, and distribution lines would be borne by parcel owners connecting to the system. As a first step the residents would need to fund an engineering study to determine the service limitations, infrastructure needs and costs for extending service to this area. This study would serve as a basis for both the District and the residents to determine whether to proceed with an annexation proposal to LAFCO. The proposal could occur through petition or District resolution. A petition for annexation would require signatures from at least 25% of the voters within the area proposed to be annexed.

Other options for service in the area would include forming a mutual water company or having a private investor-owned utility serve the area. Weimar Water noted that it is probably more cost effective for Midway Heights to serve the area due to the proximity of its facilities.

***Out of Agency Service***

PCWA provides irrigation water directly to some parcels within the Midway Heights boundary. Also, the Meadow Vista County Water District provides treated water to one parcel within the boundaries of Midway Heights. The property owner is billed directly by Meadow Vista. LAFCO may want to evaluate the boundaries of the two agencies with respect to this parcel when the next SOI updates are prepared.

**9. Local Accountability and Governance**

The Midway Heights CWD is governed by a five-member board of Directors elected at large by voters within the District. In the past 13 years there has been only one contested election. The current board is as follows:

Board Member	Title	Term of Office	Compensation
Craig Stone	President	2006	\$50 per mtg.
Cliff Pisenti	Vice President	2008	\$50 per mtg.
Jim Carlisle	Treasurer	2006	\$50 per mtg.
Janet Bianchini	Director	2006	\$50 per mtg.
Louis Sigmund	Director	2008	\$50 per mtg.

District meetings are held the second Thursday of each month at 7 p.m. at the Eden Valley Clubhouse, 21400 Placer Hills Road, Weimar. Public notice of meetings is posted in five locations at least 72 hours before each meeting; additional notice is provided through the *Auburn Journal*, posting at the Placer County Grand Jury office, and on the District's website. The District has a website that includes information on the district, including board meeting agendas and minutes ([www.mhcwd.org](http://www.mhcwd.org)).

**– DETERMINATIONS –*****1) Population and Growth***

The area within the Midway Heights County Water District boundaries is designated for rural residential use with some agriculture. The average annual growth rate within the greater Colfax area is expected to be 0.6% per SACOG's 2001 projections. Population growth within the District is expected to be slow; however the District expects to increase the number of parcels served due to impacted groundwater resources.

***2) Infrastructure Needs and Deficiencies***

The Midway Heights CWD provides both treated and irrigation water service. Raw water is obtained from the Placer County Water Agency through the Boardman Canal; treated water is purchased from the Weimar Water Company. Supply is adequate to meet current demand.

The District will need to add facilities to serve additional areas, including storage tanks, pump stations and distribution lines. The cost for capital improvements associated with a service extension is borne by the benefiting parcels.

The District maintains the system infrastructure and has designated reserves for future maintenance needs.

### ***3) Financing Constraints and Opportunities***

The Midway Heights CWD is funded through service charges, property taxes, assessments and interest income. Revenues are adequate to cover operational expenses, debt service and reserves.

The District has reserves for future operational needs as well as restricted reserves for debt service.

The District has long-term debt associated with water system improvements. The loan has an interest rate of 3.3712% and requires semi-annual payments of \$38,629. The District issued improvement bonds to provide assessments for debt service; the bond terms are similar to those of the construction loan.

### ***4) Cost Avoidance Opportunities***

The Midway Heights is controlling costs through the annual budgeting process; the District operates with minimal overhead.

### ***5) Management Efficiencies***

The Midway Heights CWD is managed by a General Manager with the Board of Directors providing oversight and direction. An additional staff person is being added to augment field services.

### ***6) Shared Facilities***

The Midway Heights CWD shares the treatment facilities of the Weimar Water Company rather than operating its own treatment plant. The District's treated water storage facilities serve as backup or emergency storage for the Weimar Water Company.

### ***7) Rate Restructuring***

The Midway Heights CWD reviews rates annually and adjusts them as necessary through a public process.

The District's treated water rate structure includes a monthly service charge and two tiers for usage. Irrigation service is offered as metered or at a flat rate.

The District's connection fees conform to the assessments levied when the treatment distribution system was constructed in 1990.



**8) Government Structure Options**

The Midway Heights CWD was formed under County Water District Law (Water Code §30000 et seq.). The District is providing adequate service, and no other government structure options were identified.

The Meadow Vista CWD provides treated water to one parcel within the Midway Heights service area. LAFCO may consider adjusting the boundaries of the two districts during the next sphere update.

**9) Local Accountability and Governance**

The Midway Heights CWD is governed by a five-member board of Directors elected at large by voters within the District. The District is providing adequate public notice of meetings and the meetings are open and accessible to the public. The District also maintains a website that provides information on the District's services and activities.

**– AGENCY PROFILE –**

Midway Heights County Water District			
Contact:	Jason Tiffany, General Manager		
Mailing Address:	PO Box 596, Meadow Vista, CA 95722		
Site Address:	Same		
Phone Number:	(530) 878-8096		
Fax Number:	Same		
Email/Website	<a href="http://www.mhcwd.org">www.mhcwd.org</a> ; <a href="mailto:admin@mhcwd.org">admin@mhcwd.org</a>		
Types of Services:	Treated and Irrigation Water		
Population Served:	~ 1,600		
Size of Service Area (sq miles):	4.0 sq miles		
Staff and Infrastructure			
Staff: FTE	2 FT, 2 PT (as budgeted for FY 04-05)		
Number of Connections	394 treated, 332 irrigation		
Annual Demand	Treated: 29.7 million gallons; Irrigation: 20,310 miner's inches days		
Storage Capacity	Treated: 145,000 gallons; Irrigation: 5,080,000 gallons		
Water Source	Treated: Weimar Water Company; Irrigation: Boardman Canal		
Financial Information			
Water Service Budget: (FY 2005-2006)	Revenues	Expenses	Reserve Balance (est. June 30, 2005)
	\$425,605	\$425,605	\$580,067

## **8. PLACER COUNTY WATER AGENCY**

### **Overview**

The Placer County Water Agency (PCWA) was formed in 1957 by a special act of the State legislature to provide the following services:

- make water available for any beneficial use of lands or inhabitants
- develop and sell hydroelectric energy to aid in financing water projects,
- sell right to use of falling water
- control and conserve storm and flood waters, and
- store, conserve, appropriate, acquire, import and protect water.

PCWA's boundaries encompass the entire 1,500 square mile area of Placer County, although water service is only provided within five zones, primarily located in the western portion of the County. The Agency is responsible for water resource planning and management, and provides retail and wholesale supply of both raw and treated water. Water sources include PG&E, the American River and the Central Valley Project. The Agency's primary sources of revenue include water and power sales, service charges, and fees. The Agency is governed by a five-member Board of Directors elected by voters within the five districts.

The Mid-County Water Service Review area lies within the northern portion of Zone 1 and the southern portion of Zone 3. A map of the Placer County Water Agency follows.



## 1. Growth and Population

Placer County had an estimated population of 303,016 in 2004 per the State Department of Finance. SACOG projects that the population will reach 422,741 by 2025 with an average annual growth rate of 2.0%, excluding the Tahoe Basin. SACOG has further projected population and growth rates for twelve Regional Analysis Districts (RAD) within Placer County. The RADs include both incorporated and unincorporated area. The RADs with the highest average annual growth rates are West Placer (18.6%), Lincoln (5.5%), and Loomis (2.9%). As shown in the table below, the potential for future development and population growth varies significantly across the County and within the PCWA service zones. This has bearing on the water service provided by PCWA as growth drives water demand and development patterns determine the type and capacity of future system infrastructure needs.

Regional Analysis District	PCWA Service Zone	Projected 2025 Population	Average Annual Growth Rate
Roseville	1, 2	117,318	0.7%
Rocklin	1	71,202	1.9%
Lincoln	1,5	63,526	5.5%
West Placer	5	20,098	18.6%
Sheridan	5	3,736	0.8%
North Auburn	1	27,047	1.7%
Auburn	1	39,924	2.6%
Loomis	1	25,661	2.9%
Granite Bay	1	26,315	0.9%
Foresthill	None	4,890	0.9%
Colfax	3	15,021	0.6%
High Country	4	8,003	1.2%
Countywide		422,741	2.0%

*Source: SACOG Projections 2005*

The Mid-County Water Service Review includes portions of the North Auburn, Colfax and Foresthill RADs, which have generally lower growth rates.

## 2. Infrastructure Needs and Deficiencies

The Placer County Water Agency is the largest water purveyor within Placer County. As noted above, the Agency has five service zones:

- Zone 1 is the largest zone and extends from the City of Auburn south to the northern boundary of the City of Roseville. There is a small, detached portion of Zone 1 south of Roseville near Baseline Road and Crowder Lane. Water supply is obtained from PG&E's Wise/South Canal, PCWA's Boardman Canal, and the American River.
- Zone 2 serves 46 residential accounts on two-acre lots adjacent to Roseville's southwest boundary. Water supply is surface water from the City of Roseville through a contractual arrangement.

- Zone 3 serves rural residential customers in the communities of Applegate, Weimar, Meadow Vista, Colfax, Gold Run, Dutch Flat, Alta and areas in between. The water supply is purchased from PG&E and conveyed from Lake Spaulding through the Boardman Canal.
- Zone 4 was formed in 1998 and is located in Martis Valley in eastern Placer County. Zone 4 relies on groundwater pumped from the Martis Valley Aquifer to serve approximately 500 current residential customers. There are development proposals that will increase the number of residential customers to approximately 2,000.
- Zone 5 was established in 2000 to provide irrigation water to commercial agriculture in western Placer County.

The Mid-County Water Service Review study area includes the northern portion of Zone 1 and the southern portion of Zone 3; therefore, the following discussion will focus on those two zones.

### *Water Demand*

PCWA serves the following accounts in Zones 1 and 3:

Customer Type	Zone 1	Zone 3
<i>Treated Water</i>		
Residential	25,647	1,027
Commercial	1,433	111
Landscape	335	4
Municipal	132	15
Multi-unit	664	66
Agriculture (Bowman area only)	81	0
Industrial	2	0
Resale	8	0
Miscellaneous	1,550	30
<b>Subtotal Treated Water</b>	<b>29,852</b>	<b>1,253</b>
<i>Raw Water</i>		
Summer	1,100	156
Yearly	2,200	125
Metered	86	217
Resale	1	5
All Others	0	0
<b>Subtotal Raw Water</b>	<b>3,387</b>	<b>503</b>
<b>Total</b>	<b>33,239</b>	<b>1,756</b>

*Source: Active Connection Report 12/31/2004*

Treated water is sold directly to customers in Colfax, Auburn, Loomis, Rocklin, Alta, Applegate, Dutch Flat, Monte Vista and small portions of Roseville, as well as unincorporated area in western Placer County. Treated water is wholesaled to the City of Lincoln, the California American Water Company and

several special districts. Raw water is sold to the City of Roseville; special districts such as the San Juan Water District (Granite Bay), Sacramento Suburban Water District, Meadow Vista CWD, Midway Heights CWD, Dutch Flat Mutual Water, Heather Glen CSD, Alpine Meadows Water Association, Christian Valley Park CSD and the Weimar Water Company.

Projected water demand within zones 1 and 3 is estimated as follows:

**Projected Annual Water Demand (AF/Yr)**

Zone	1999	2000	2005	2010	2015	2020	Avg. % Increase
<i>Treated Water</i>							
Zone 1	25,593	26,300	32,100	42,000	54,500	71,500 Buildout 133,200	5.1%
Zone 3	724	740	670	740	820	900	1%
<b>Total</b>	<b>26,317</b>	<b>27,040</b>	<b>32,770</b>	<b>42,740</b>	<b>55,320</b>	<b>72,400</b>	
<i>Raw Water</i>							
Zone 1	63,244	63,000	74,000	74,000	74,000	74,200	0.8%
Zone 3	7,325	6,600	7,000	7,000	7,000	7,000	0%
<b>Total</b>	<b>70,569</b>	<b>69,600</b>	<b>81,000</b>	<b>81,000</b>	<b>81,000</b>	<b>81,200</b>	

*Source: Table 3-8, UWMP December 2000, updated with draft results from the Integrated Water Resources Plan.*

The projected increase in treated water demand within Zone 1 is primarily a function of growth within western Placer County as well as decreasing use of groundwater wells within the area.

### ***Water Conservation and Recycled Water***

PCWA sponsors conservation programs for residents and businesses within its service area to improve water use efficiency. Programs include Water Wise house calls for businesses and residences, toilet rebate programs, large landscape irrigation surveys, a water education program, and irrigation management services for agriculture customers. The Agency recently installed a California Irrigation Management Information Service (CIMIS) station, which collects weather data that can be used to calculate irrigation schedules for crops and landscapes based on real-time evapotranspiration rates.

The Agency continues to work with local wastewater agencies to promote and implement the use of recycled water where feasible. The City of Roseville is providing recycled water for golf course and large park irrigation from the Dry Creek WWTP.

### ***Water Supply***

A majority of PCWA's water supply comes from the Yuba and Bear Rivers. It is purchased from PG&E and conveyed from Lake Spaulding. The Agency has two water supply contracts with PG&E providing options to purchase up to 125,400 acre-feet per year. Zone 1 is supplied up to 100,400 acre-feet per year and Zone 3 is supplied up to 25,000 acre-feet per year.

The pre-1914 appropriative water rights were developed by PG&E and its predecessors, with the place of use specified as western Placer County and PCWA's Zone 3 (Colfax Ridge up to Alta). The 25,000 acre-foot contract has no term limit; the 100,400 acre-foot annual contract expires in 2013. The contract is renewable with a price adjustment.

Another major source of supply is the American River. PCWA has permits from the State Water Resources Control Board allowing the Agency to divert up to 120,000 acre-feet per year from the American River between Auburn and Folsom Reservoir. The water is available from releases from PCWA's Middle Fork American River Project and direct diversion from the American River system. This supply is used in Zones 1 and 5.

PCWA also has a contract with the US Bureau of Reclamation for a maximum of 117,000 acre-feet per year of Central Valley Project (CVP) water. The contract began with 15,000 acre-feet in 1992 and builds to 117,000 acre-feet by 2007. However, the agreement limits deliveries to 35,000 acre-feet annually prior to the completion of the Auburn Dam. PCWA intends to fully utilize its water rights for the American River prior to using CVP water.

PCWA participates in the American River Basin Cooperating Agencies (ARBCA), which was formed in 1998 to sponsor a Regional Water Master Plan for southern Placer County and northern Sacramento County. The goal of the RWMP was to form equitable, cost-effective water resource management strategies for enhancing water supply reliability and operational flexibility for water users of Folsom Lake, the lower American River and the connected groundwater basin.

### ***Balancing Supply and Demand***

The following water supplies and demand are projected per PCWA's 2000 Urban Water Management Plan (UWMP):

Projected Water Supply and Demand (AF/Yr)					
	2000	2005	2010	2015	2020
<b>Zones 1 and 5 (common supply)</b>					
<b><i>Water Supply</i></b>					
PG&E supply	100,400	100,400	100,400	100,400	100,400
Middle Fork American River	120,000	120,000	120,000	120,000	120,000
Central Valley Project	35,000	35,000	35,000	35,000	35,000
Recycled Water	0	0	10,000	10,000	15,000
Subtotal	255,400	255,400	265,400	265,400	270,400
<b><i>Water Demand</i></b>	190,300	207,100	217,000	229,500	260,800
<b><i>Net</i></b>	<b>65,100</b>	<b>48,300</b>	<b>48,400</b>	<b>35,900</b>	<b>9,600</b>

	2000	2005	2010	2015	2020
<b>Zone 3</b>					
<i><b>Water Supply</b></i>					
PG&E supply	25,000	25,000	25,000	25,000	25,000
Subtotal	25,000	25,000	25,000	25,000	25,000
<i><b>Water Demand</b></i>	7,340	7,670	7,740	7,820	7,900
<i><b>Net</b></i>	<b>17,660</b>	<b>17,330</b>	<b>17,260</b>	<b>17,180</b>	<b>17,100</b>

Source: Tables 4-2 and 4-4, UWMP December 2000, updated with draft results from the Integrated Water Resources Plan.

In year 2020 the projected long-term average supply for Zones 1 and 5 ranges between 187,700 acre-feet in a multiple dry year scenario to 265,400 in an average/normal water year. This leaves a net of 9,490 acre-feet and 29,800 acre-feet in the second and third years of a multiple dry year scenario. For Zone 3, supply ranges from 12,500 acre-feet to 25,000 acre-feet, with no deficit in multiple dry years.

In 2001 PCWA prepared the *Surface Water Supply Update for Western Placer County*. For the study, PCWA relied on the land use designations included in the current General Plans adopted by the cities/town councils and the County, including community plans and Placer Legacy. The Agency assumed that surface water would be the primary source of water for new development in Zone 1, and there would be no long-term increase in PCWA's use of groundwater in normal hydrologic years in order to meet demand. Groundwater use was only assumed for individual property owners in rural areas and for commercial agriculture within Zone 5. Most new homes constructed in areas with rural densities greater than 2.3 acres per unit will not use PCWA surface water, as the infrastructure improvements are not economically feasible. Lastly, for most rural development, potable water will be provided by private wells with raw water for irrigation, if already available. Build-out within the County is assumed to be in year 2035.

The study projects that in 2035, total water demand in Zones 1 and 5 will be 253,800 acre-feet, slightly less than the Agency's water supply entitlement of 255,400 acre-feet per year. This assumes that major infrastructure will be completed and the contract with PG&E will be renewed with no decrease in the amount of water to be delivered. The following summarizes the Agency's projected water supply and demand for Zones 1 and 5:



**Year 2035 - Projected Water Supply and Demand (AF/Yr)**  
**Zones 1 and 5**

	<b>Acre -Feet per Year</b>
<b>Entitlements</b>	
PG&E Water Supply Contract	100,400
Middle Fork Project	120,000
Central Valley Project	35,000
Recycled Water	15,000
<b>Total Supply:</b>	<b>270,400</b>
Less: Supplies to Other Purveyors in Placer County	
San Juan Water District	16,400
City of Roseville	30,000
<b>Remainder for PCWA Use:</b>	<b>224,000</b>
Less: Current PCWA Use	
Raw Water	78,700
Treated Water	28,000
<b>Remainder for Future Use:</b>	<b>117,300</b>
Less: Projected Future Additional PCWA Use	
Raw Water	2,500
Treated Water	105,200
<b>Reserve:</b>	<b>9,700</b>

*Source: Table 6-4, Surface Water Supply Update, March 13, 2000, updated with draft results from the Integrated Water Resources Plan*

### **Infrastructure**

PCWA's water system spans the western portion of Placer County from Nevada County in the north to Sacramento County in the south. PCWA completed the Middle Fork American River Project in 1967. It is a multi-purpose project designed to conserve and control the waters of the Middle Fork of the American River, the Rubicon River, and various tributaries in order to develop a surface water supply, generate hydroelectric power, and provide for recreational uses. In terms of water infrastructure, the Project includes two storage reservoirs (French Meadows and Hell Hole), 5 diversion dams, and over 21 miles of tunnels.

Through USBR, PCWA is constructing permanent pump station facilities on the American River, which will enable the Agency to access and deliver its full surface water allotment. The design was completed in 2001 and environmental documentation was approved in 2002. The pump station is expected to be operational in 2007.

Zone 1 was formed in 1968 to finance the purchase of PG&E's Lower Drum Division Water System. The system includes an extensive system of canals and treated water facilities. PG&E continues to own and operate the Bear River/Wise/South Canal, which has a capacity of 450 cfs. PG&E supplies water to

both PCWA and Nevada Irrigation District (NID) through this canal. PCWA's water supply contract identifies ten separate delivery points, with the combined delivery rate from all points not to exceed 244.8 cfs. There are four water treatment plants serving Zone 1, with a total treatment capacity of 44 million gallons per day. Completion of the Foothill plant will increase total capacity to 72 million gallons a day.

The water system in Zone 3 was acquired from PG&E in 1984 and includes a series of canals and pipelines that extend approximately 35 miles from PG&E's Alta Powerhouse to PCWA's Lake Theodore northeast of Auburn. The Boardman Canal is the main conveyance facility.

The Agency's Capital Improvement Projects – Five Year (2005 – 2009) Preliminary Plan as included with the 2005 Budget details project costs for current and anticipated projects totaling \$306 million, excluding the power system. The major projects are the American River Pump Station, Auburn Water Treatment Plant Expansion, Foothill Phase II Water Treatment Plant and Pipelines and the Foothill Raw Water Supply Pipeline.

The costs for new facilities in order to extend service are borne by the benefiting property owner. PCWA considers annexing property to an existing service zone if the Agency has the ability to serve either raw or treated surface water. If approved, the applicant constructs the improvements to the satisfaction of the Agency, at which time the ownership of the improvements is turned over to the Agency.

### **3. Financing Constraints and Opportunities**

The Placer County Water Agency has three divisions: Agency-Wide, Power System and Water System. Annually, the Agency budgets for and tracks financial performance by each division. The primary sources of operating revenue for the water system are water sales, renewal and replacement charges. The water connection charges are based on new connections to the water system, which can vary widely year to year. The following summarizes the Agency's water system financial information:

## PCWA Financial Summary – Water System

Finances	2003 Actual	2004 Actual	2005 Budget
<b>Revenue</b>			
Water Sales	\$18,357,627	\$20,726,980	\$23,900,000
Mandated Charge	\$2,034,980	\$2,204,297	\$2,492,000
Engineering Charges	\$713,945	\$1,093,080	\$720,000
Customer Service Charges	\$307,570	\$407,998	\$320,000
Interest	\$2,611,620	\$2,619,622	\$1,470,000
Water Connection Charges	\$8,832,910	\$35,890,471	\$10,000,000
Other Revenue	\$3,547,665	\$3,087,900	\$4,508,500
<b>Total Revenue</b>	<b>\$36,406,317</b>	<b>\$66,030,348</b>	<b>\$43,410,500</b>
<b>Expenses</b>			
Purchased Water	\$188,182	\$698,356	\$586,832
Water Treatment	\$3,088,788	\$3,485,857	\$3,990,967
Pumping Plants and Wells	\$436,816	\$739,557	\$798,889
Transmission and Distribution	\$3,869,583	\$4,024,185	\$4,577,455
General and Administrative	\$6,325,047	\$5,913,840	\$7,412,147
Depreciation	\$2,507,238	\$5,234,121	\$3,740,000
Other Operational Expenses	\$4,113,518	\$3,243,769	\$3,045,359
Interest Expense	\$3,225,100	\$2,942,400	\$3,234,500
<b>Total Expenses</b>	<b>\$23,754,272</b>	<b>\$26,282,085</b>	<b>\$27,386,149</b>
Capital Contributions (est. only)	\$12,534,334	\$3,841,213	--
Transfers	(\$93,472)	(\$188,269)	
<b>Net Surplus/(Deficit)</b>	<b>\$12,558,573</b>	<b>\$39,559,994</b>	<b>\$16,024,351</b>
<b>Ending Net Assets</b>	<b>\$226,415,076</b>	<b>\$265,975,070</b>	<b>\$281,999,421</b>

The only major long-term debt for the water system is associated with Zone 1. The Agency has the ability to issue tax-exempt debt to fund capital infrastructure for either replacement or expansion needs. This allows major projects to be paid for over the years of use. The capacity of this opportunity would be the capacity of the customers to repay the debt. At December 31, 2004, the Agency's water system had approximately \$55.7 million in long-term debt.

The Agency's financial statements are audited annually by an independent certified public accounting firm from which the opinions' rendered have been unqualified or "clean" opinions.

#### **4. Cost Avoidance Opportunities**

The Agency controls costs through its operational plans, budget and management practices. The Agency plans to fully utilize its water rights prior to purchasing water from the Central Valley Project. Studies have been conducted on projected water demand by zone and related infrastructure needs. A detailed Capital Improvement Plan has been prepared as part of PCWA's budgeting process that includes planned maintenance, replacement, improvements and upgrades within Zones 1 and 3, as well as life cycle costs. A life cycle maintenance management approach can be used to optimize the timing and cost of repair/replacement of water utility facilities and systems.

PCWA is upgrading to automatic read meters for new development and meter replacements, which will improve billing accuracy and reduce meter reading costs.

#### **5. Management Efficiencies**

The Agency's three divisional organizational structure of Agency-Wide, Power System and Water System allows the agency to establish goals, identify issues and assign staff as appropriate for service provided. In 2005 the Agency prepared a report which identified "Issues and Interests" in order to establish goals for the upcoming year. As part of this effort, staff reported on the accomplishments of the past year and identified priorities for the year.

The Agency continually works to improve efficient and effective operations in numerous areas of service, including finance, customer service and field services. The most recent water system management efficiencies are the implementation of bill concentration and continued implementation of radio read meters. In 2002 PCWA streamlined the Agency's budgeting process, investment reporting, and other financial accountability practices and protocols. Accounts and service areas have been analyzed to ensure that all customers are being billed properly.

#### **6. Shared Facilities**

PCWA shares facilities with a number of agencies in relation to providing water service. It is working with the US Bureau of Reclamation on constructing the permanent pumping facilities in the American River. In some areas PCWA receives water through PG&E's conveyance facilities. The Agency provides wholesale supply to other water purveyors in the southwestern portion of the county. The water PCWA provides to the Sacramento Suburban Water District for groundwater replacement is wheeled through the San Juan Water District's water treatment plant and delivered through a cooperative transmission pipeline.

As noted above, PCWA is a member of ARBCA, and participated in the development of the Regional Water Master Plan. The Agency is a signatory to the Water Forum agreement which achieves two goals: 1) provide a reliable and safe water supply for the region's economic health and planned development to year 2030, and 2) preserve the fishery, wildlife, recreational, and aesthetic values of the Lower American River.

## 7. Rate Restructuring

PCWA's water rate structure differs for each of the service zones. The charges include a basic service charge, fees to cover unfunded State and Federal mandates, fees for infrastructure renewal and replacement and water usage charges, which are tiered and ascending to promote water use efficiency. The charges for State and Federal mandated programs and projects and the Renewal and Replacement charge are based on meter size. Water rates are as follows:

### Zone 1 Water Rates

Zone 1 – Wholesale	Charges per month
Resale Connection Fee	\$34.07
Capital Facilities Charge – per customer (per 30 days)	\$5.49
Water Use – per Miner's Inch Day:	
0 – 30 MID	\$3.85 MID
31 – 60 MID	\$2.94 MID
Over 90	\$2.34 MID
Zone 1 – Retail	Charges
Service Charge (5/8" meter)	\$11.65
State & Federal Mandated Programs and Projects	\$3.99
Renewal & Replacement – Raw and Treated Water Components	\$4.90
Water Use – per 100 CF	
First 400 CF	\$0.76
Next 1,600 CF	\$0.86
Next 2,000 CF	\$0.93
Next 1,800 CF	\$1.08
Next 1,900 CF	\$1.30
Over 7,700 CF	\$1.47

### Zone 3 Water Rates

Zone 3 - Wholesale	Charges per month
Resale Connection Fee	\$52.06
Capital Facilities Charge – per customer (per 30 days)	None
Water Use – per Miner's Inch Day:	
First 1,000 MID	\$4.51 MID
Over 1,000 MID	\$4.15 MID
Zone 3 - Retail	Charges
Service Charge (5/8" meter)	\$21.45
State & Federal Mandated Programs and Projects	\$3.99
Renewal & Replacement – Raw and Treated Water Components	\$4.90
Water Use – per 100 CF	
First 300 CF	\$1.07
Over 300 CF	\$1.33

### ***Connection Charges***

PCWA charges a connection charge for new service, with the fees based on four components: water treatment, storage, transmission and planning. The current charges are \$11,096 for Zone 1 and \$8,100 for Zone 3. The underlying costs have increased significantly recently as the construction cost includes primarily steel and concrete. The connection charges were increased in August 2005, with a 19.5% increase in Zone 1 and a 14.4% increase in Zone 3. PCWA is projecting construction and debt service costs of \$341 million in new water infrastructure projects in order to serve projected growth in Zone 1 over the next 11 years. The increase for Zone 3 is based on \$2.65 million in improvements needed to serve growth over the same time frame. The underlying costs are reviewed annually for any necessary rate adjustments.

### ***Annexation Fees***

With respect to service zone boundaries, property owners who request service to parcel outside a given service zone must apply to PCWA for annexation to the particular zone and pay an annexation fee. Approval is dependent on PCWA's review and ability to provide water. The current annexation processing fee is \$2,000. Additional costs are dependent upon the number of parcels, acreage and annexation.

## **8. Government Structure Options**

The Placer County Water Agency is an independent special district created by a special act of the State legislature. Per the Placer County Water Agency Act, the Agency's boundaries shall consist of all the territory of the County of Placer. The Agency is authorized to make water available for any beneficial use of lands or inhabitants; develop and sell hydroelectric energy to aid in financing water projects; sell right to use of falling water; control and conserve storm and flood waters; and store, conserve, appropriate, acquire, import and protect water. PCWA's services range from water resource planning and management to wholesale and retail water sales. No other agencies were identified that could provide these services on a countywide basis, and no other government structure options were noted.

## **9. Local Accountability and Governance**

PCWA is governed by a five-member Board of Directors, elected to four-year terms by geographic areas, which coincide with the County's supervisorial districts. The current board of the Placer County Water Agency is as follows:

Board Member	Title	Term of Office	Compensation*
Pauline Roccucci	Board Chair – District 1	12/06	\$950/month
Alex Ferreira	Director – District 2	12/06	\$950/month
Lowell Jarvis	Director – District 3	12/08	\$950/month
Mike Lee	Director – District 4	12/08	\$950/month
Otis Wollan	Director – District 5	12/08	\$950/month

The Board meets the on first and third Thursdays of each month at 3:00 PM, usually at the Placer County Board of Supervisors chambers at 175 Fulweiler Avenue in Auburn. Occasional meetings are held in other areas of the County to encourage more public participation. The meetings are noticed in front of the Agency's headquarters building and on the website, in accordance with the Brown Act. Agendas and minutes are available on line on the Agency's website ([www.pcwa.net](http://www.pcwa.net)). The website also includes information on the Agency, services and programs.

**– DETERMINATIONS –**

***1) Population and Growth***

The Placer County Water Agency's boundaries encompass the entire area of Placer County. Water service is only provided within five service area zones, primarily located in the western portion of the County. Population within the County is expected to reach 422,741 by 2025, with an average annual growth rate of 1.8%. The majority of this growth will be in the western Placer County. The Agency has factored the County's growth patterns into their long range plans.

***2) Infrastructure Needs and Deficiencies***

For Service Zones 1 and 3, the Placer County Water Agency receives water supply from a combination of surface water sources, including the Middle Fork of the American River, PG&E through Lake Spaulding, and the Central Valley Project near Folsom Lake.

PCWA participated in the preparation of a Regional Water Management Plan in 1998 and is implementing the strategies for managing water supplies within its area of jurisdiction. Per the Agency's 2000 Urban Water Management Plan, water supply in year 2020 will be adequate to meet demand for Zones 1, 3 and 5 provided the water resources and infrastructure are developed as planned.

The Agency has on going maintenance, replacement and improvements detailed in the Five Year Capital Improvement Plan for water system infrastructure. The Agency performs routine maintenance and plans for facility upgrades and replacement in order to maintain service levels and control costs.

***3) Financing Constraints and Opportunities***

The Agency has the ability to issue tax-exempt debt to fund capital infrastructure for either replacement or expansion needs. This allows major projects to be paid for over the years of use. The capacity of this opportunity would be the capacity of the customers to repay the debt. At December 31, 2004, the Agency's water system had approximately \$55.7 million in long-term debt.

***4) Cost Avoidance Opportunities***

PCWA is controlling costs through its water resource planning, operations and budgeting. The Agency seeks technology and other cost saving solutions in maintaining the current service levels and keeping

cost increases to a minimum. The Agency plans to fully utilize its water rights prior to purchasing water from the Central Valley Project.

PCWA is upgrading meters to automatic read meters, which will improve billing accuracy and reduce meter-reading costs.

#### ***5) Management Efficiencies***

PCWA's organizational structure allows the agency to establish goals, identify issues and assign staff as appropriate for each type of service provided. The Agency is working to improve efficiency in numerous areas of service, including finance, customer service and field services.

#### ***6) Shared Facilities***

PCWA shares facilities with a number of agencies related to water supply, water management, and water use efficiency, including the US Bureau of Reclamation, PG&E and other water purveyors in the western and southern portions of Placer County.

PCWA participates in regional planning efforts for water supply and watershed issues.

#### ***7) Rate Restructuring***

PCWA reviews its rates annually based on expected costs for water treatment, storage, transmission and planning.

In August 2005 the Agency increased water connection charges for Zones 1 and 3 by 19.5% and 14.4 % respectively. The increase was based on cost projections to improve the water systems in order to meet demand for planned growth.

The Agency uses a tiered rate structure for its customers in Zones 1 and 3 in order to encourage conservation. Zone 1 has six tiers, and Zone 3 has two.

#### ***8) Government Structure Options***

PCWA was established by a special act of the State legislature and is authorized to make water available for any beneficial use of lands or inhabitants; develop and sell hydroelectric energy to aid in financing water projects; sell right to use of falling water; control and conserve storm and flood waters; and store, conserve, appropriate, acquire, import and protect water. No other government structure options were noted.

#### ***9) Local Accountability and Governance***

PCWA is governed by a five-member elected Board of Directors who oversees the proper stewardship of the Agency's public resources essential for maintaining public trust. Like all special districts, the Agency has statutory financial reporting requirements to help ensure the Agency's operations are conducted in an



open and transparent manner. The Agency is fiscally accountable to its customers through budgetary and financial reporting. In addition, the Agency maintains a website which contains comprehensive information regarding Agency operations and service. The Agency encourages public participation, provides public notice of meetings, and posts agendas and minutes online.

– AGENCY PROFILE –

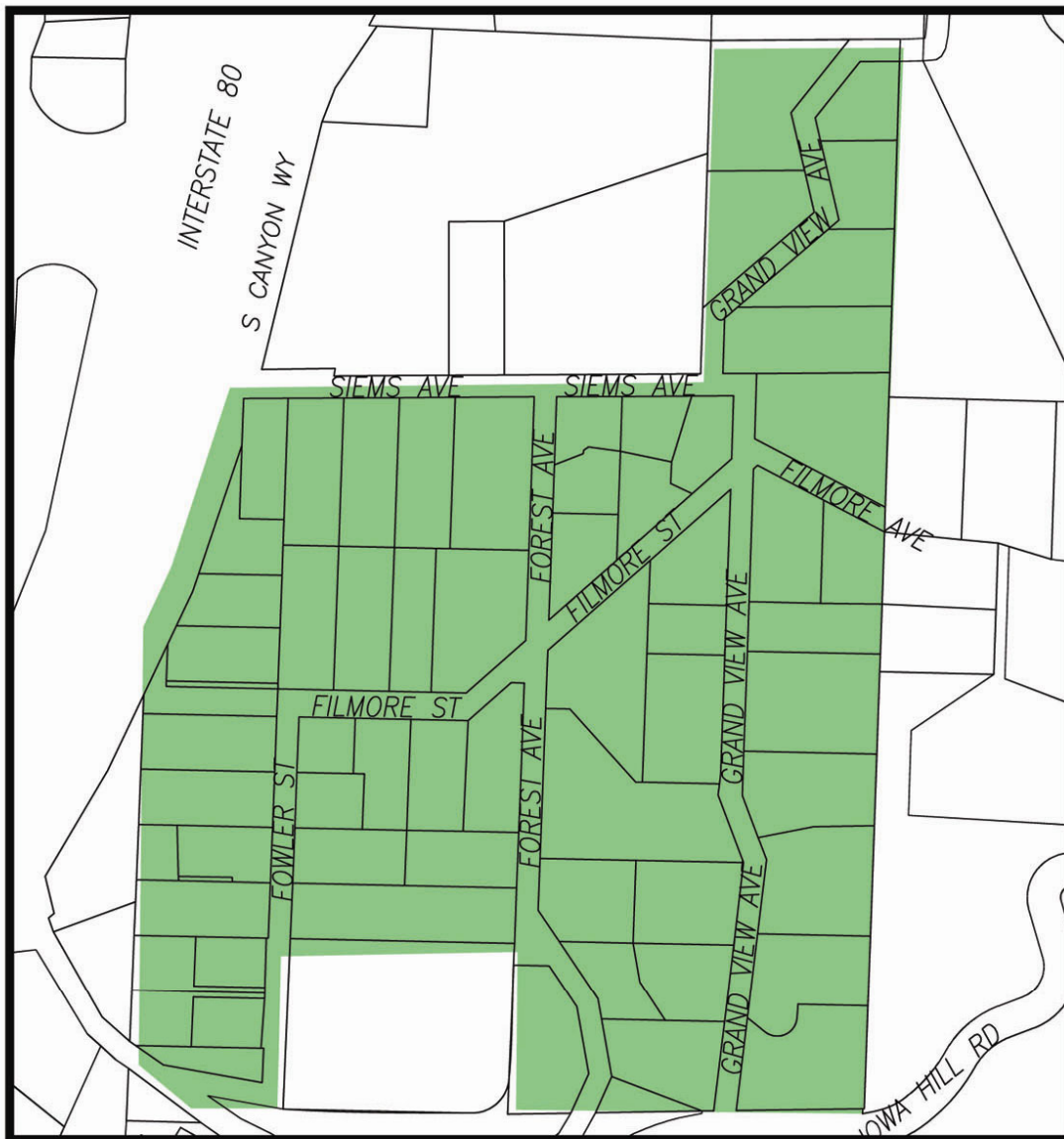
Placer County Water Agency			
Contact:	David A. Breninger, General Manager		
Mailing Address:	PO Box 6570, Auburn, CA 95604-6570		
Site Address:	144 Ferguson Road, Auburn, CA		
Phone Number:	(530) 823-4850		
Fax Number:	(530) 823-4960		
Email/Website	www.pcwa.net		
Types of Services:	Raw and Treated Water; hydroelectric power generation		
Population Served:	~ 228,436		
Size of Service Area (sq miles):	1,500 sq miles total	127.25 sq miles Zone 1	84.37 sq miles Zone 3
Staff and Infrastructure			
Staff: FTE	167		
Number of Connections	36,049		
Annual Demand	106,100 AF Zone 1    7,670 AF Zone 3		
Storage Capacity			
Water Source	PG&E, Middle Fork American River, Central Valley Project		
Financial Information			
Water Service Budget: (2005)	Revenues	Expenses	Reserves (December 31, 2004)
	\$26,572,000	\$26,492,649	\$10,720,000

## **9. SUBURBAN PINES COMMUNITY SERVICES DISTRICT**

### **Overview**

The Suburban Pines Community Services District (CSD) was formed in 1954 and serves an area of approximately 0.25 square miles adjacent to the city of Colfax. The District was formed to establish a fire hydrant system within the mountain community. Fire protection in the area is provided by the California Department of Forestry and Fire Protection (CDF); Station No. 30 is located within the community. Water for the system is obtained from the Placer County Water Agency. The District's sole sources of revenue are property taxes and interest on reserves. The District is governed by a five-member Board of Directors elected at large by voters within the District.

A map of the Suburban Pines CSD follows.



SUBURBAN PINES CSD



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## **1. Growth and Population**

The Suburban Pines CSD serves a small, residential community. The majority of the area within the District is unincorporated, with a small portion in the vicinity of I-80 lying within the boundaries of the City of Colfax. The area is zoned for single-family residential and agriculture. The Sacramento Area Council of Governments (SACOG) has developed population projections for the counties and cities within its jurisdiction as well as Regional Analysis Districts (RAD). The Suburban Pines CSD lies within the Colfax RAD. Per the SACOG March 2001 projections, population within the Colfax RAD is expected to increase to 14,758 by 2025 at an average annual growth rate of 0.6%.

There are 71 parcels within the District. The estimated population is approximately 185. Most parcels are developed with some developable lots remaining. Future growth will be limited based on the number of developable lots.

## **2. Infrastructure Needs and Deficiencies**

The Suburban Pines CSD installed a fire hydrant system shortly after formation; the system currently has eight hydrants with an average spacing of 500-800 feet in an area with hilly terrain. One hydrant belongs to the City of Colfax. The system was last tested approximately three years ago by CDF and was operable at that time. PCWA provides potable water service to the properties within the community, and water for the system is supplied through the PCWA's distribution system.

Placer County uses the 2001 Uniform Fire Code as the standard for planning and development. The hydrant system installed by the District likely does not meet the current standards for fire protection due to its age. PCWA is unaware of the hydrant system and has no information available on the fireflow pressure or duration. The system is not recorded in the County mapping system and the Placer County Fire Protection Planner has no knowledge of the system or any record of its being tested; therefore no information is available with respect to its adequacy for fire protection in the area. Although the system has not been improved as part of new development in the area, it is operating and available for use by CDF in an emergency.

### 3. Financing Constraints and Opportunities

The Suburban Pines CSD receives revenue through a portion of the 1% property tax (0.00038%) and interest on reserves. The following summarizes the District's finances:

Suburban Pines CSD Financial Summary

Finances	FY 02-03 Actual	FY 03-04 Actual	FY 04-05 Budget
<b>Sources</b>			
Property Taxes	\$1,270	\$1,459	\$1,594
Interest	\$832	\$597	\$500
<b>Total Sources</b>	<b>\$2,102</b>	<b>\$2,056</b>	<b>\$2,094</b>
<b>Uses</b>			
Services & Supplies	\$100		\$100
Property Tax Admin Costs	\$19	\$29	\$29
LAFCO Fees	\$2	\$2	\$2
<b>Total Uses</b>	<b>\$121</b>	<b>\$31</b>	<b>\$131</b>
<b>Net Surplus/(Deficit)</b>	<b>\$1,981</b>	<b>\$2,025</b>	<b>\$1,963</b>
<b>Fund Balance, end of year</b>	<b>\$27,812</b>	<b>\$29,837</b>	<b>\$31,830</b>

*Fund: 531 Fire Districts Fund / Subfund: 440 SPCSD*

The County Treasurer is the depository and has custody of the District's funds, as required by Government Code §61730. There has been limited activity in the account for a number of years and the District's financial records have not been audited.

The District has reserves for use in the event of an emergency. The Board of Directors has not identified specific needs or restricted use of the funds.

### 4. Cost Avoidance Opportunities

The Suburban Pines CSD is operated by volunteers and has minimal overhead expenses. The District has no liability insurance; in order to minimize risk, the District should ensure that all current property owners and new development applicants understand the system's limitations and fire risk in the area. No additional opportunities to avoid costs were noted.

### 5. Management Efficiencies

The Suburban Pines CSD is overseeing a fire hydrant system which does not require active management. The District should work with the County Fire Planner and PCWA to ensure that the system is properly identified within those agency records. No additional opportunities to improve management efficiency were noted.

## 6. Shared Facilities

The Suburban Pines CSD is sharing resources with CDF by providing a system that improves fire protection within the community. In addition, CDF periodically tests the system for the CSD. Due to the location and limited nature of services provided, no other opportunities to share facilities were noted.

## 7. Rate Restructuring

The District does not assess property owners for any services. The District' annual expenses are less than 7% of revenue and no rate restructuring is necessary.

## 8. Government Structure Options

The purpose of evaluating government structure options is to identify those options that encourage the orderly formation of local government agencies. The Suburban Pines CSD was formed under Community Services District Law (Government Code §61000 et seq.) on March 15, 1954. The District's sphere of influence is coterminous with its boundary. Two government structure options were identified:

- ***Maintain Status Quo***: Under this option the District's current sphere of influence and boundary would not be changed. The advantage is that the fire hydrant system owned by the District is providing some benefit to the community. The District has reserves that could be used in an emergency. The disadvantages are that the property tax revenue accruing to the District and the reserves that have accumulated may not be providing maximum benefit to the taxpayers. The District may be at risk if it is operating a system that is inadequate or does not meet current codes.
- ***Dissolve the District and establish a restricted fund for the assets***: With this option the District would be dissolved, the tax revenue would be reallocated to other agencies within the Tax Rate Area, and a restricted fund would be established with the County for the cash assets of the District. Fund use could be limited to specific types of improvements within the Suburban Pines community. The advantages are that it would alleviate the District of future responsibility for managing the fire hydrant system. The District is essentially inactive and only oversees the existing hydrants to ensure they remain operable. Future property tax revenue could be used more efficiently by other agencies actively providing service in the area. With the establishment of a restricted account, the District's accumulated reserves would provide benefit for the community for future improvements. The benefit might be enhanced through the economies of scale that occur through the County's Public Works Department. The disadvantage is that the existing fire hydrant system would need to be accepted and maintained by the County or other agency, and depending upon its condition, improvements may be required to meet County standards.

## 9. Local Accountability and Governance

The Suburban Pines CSD is governed by a five-member board of Directors elected by voters within the District. Elections have been uncontested for a number of years, with the County Board of Supervisors appointing the candidates to the position.

Board Member	Title	Term of Office	Compensation
Robert Wallington, Sr.	President	2008	None
June Pitz	Secty/Treasurer	2006	None
Robert Wallington, Jr.	Board member	2008	None
Timothy Pitz	Board member	2006	None
Dakota Sheets	Board member	2006	None

District meetings are held on alternate months on the third Thursday at 7 p.m. at the Board President's residence at 100 Siems in Colfax. Public notice of meetings is posted on telephone poles within the District at least 72 hours before each meeting.

**- DETERMINATIONS -**

***1) Population and Growth***

The Suburban Pines Community Service District serves a 0.25 square mile area adjacent to the City of Colfax. The area is zoned for single-family residential and agriculture, with 71 parcels. Future growth will be limited, based on the number of developable parcels remaining.

***2) Infrastructure Needs and Deficiencies***

The Suburban Pines CSD operates a fire hydrant system with water provided by PCWA. The system is operable, but is not recorded in the County mapping system and has not been reviewed by the County Fire Protection Planner. PCWA is unaware of the system as well. The system was installed shortly after the District's formation in 1954 and likely does not meet the current 2001 Uniform Fire Code.

***3) Financing Constraints and Opportunities***

The Suburban Pines CSD is funded through a portion of the 1% property tax and interest income. The District has no long-term debt and has reserves for future emergencies.

***4) Cost Avoidance Opportunities***

The Suburban Pines CSD is operated by volunteers and has minimal expenses.

The District should ensure that all current and future property owners are aware of the fire risk in the area and the hydrant system's limitations.

***5) Management Efficiencies***

The Suburban Pines CSD should work with the County Fire Planner and PCWA to ensure that the system is properly identified within those agency records. No additional opportunities to improve management efficiency were noted.

**6) Shared Facilities**

The Suburban Pines CSD provides a hydrant system to assist CDF with fire protection in the community. CDF periodically tests the system for operability.

**7) Rate Restructuring**

The Suburban Pines CSD does not charge property owners an assessment or service charge.

**8) Government Structure Options**

The Suburban Pines CSD was formed under Community Services District Law (Government Code §61000 et seq.). The District's sphere of influence is coterminous with its boundary. Two government structure options are identified:

- **Maintain the status quo:** The District would continue to provide service within its current boundaries.
  - *Advantage:* This option allows for continuity of service; the fire hydrant system is providing benefit to the community.
  - *Disadvantage:* The property tax revenue that accrues to the District may not be providing maximum benefit to the taxpayers. The District may be at risk if it is operating a system that is inadequate or does not meet current codes.
- **Dissolve the Suburban Pines Community Service District:** The District would be dissolved and its cash assets would be transferred to a restricted fund with the County for future use within the community.
  - *Advantage:* This option would alleviate the District of future responsibility for the hydrant system. Property tax revenue could be used by other agencies actively providing services within the area.
  - *Disadvantage:* The existing fire hydrant system would need to be accepted and maintained by the County or some other agency.

**9) Local Accountability and Governance**

The Suburban Pines CSD is governed by a five-member board of Directors elected by voters within the District. The District is providing adequate public notice of meetings and the meetings are open and accessible to the public.



– AGENCY PROFILE –

Suburban Pines Community Service District			
Contact:	Robert Wallington, Sr., President		
Mailing Address:	PO Box 123, Colfax, CA 95713		
Site Address:	100 Siems, Colfax		
Phone Number:	(530) 346-8126		
Fax Number:	none		
Email/Website	NA		
Types of Services:	Fire hydrant system		
Population Served:	~ 185		
Size of Service Area (sq miles):	0.25 sq miles		
Staff and Infrastructure			
Staff: FTE	None		
Number of Hydrants	8		
Water Source	PCWA – Boardman Canal		
Financial Information			
Budget: (FY 2004-2005)	Revenues	Expenses	Fund Balance (est. June 30, 2005)
	\$2,094	\$131	\$31,830

## 10. WEIMAR WATER COMPANY

### Overview

The Weimar Water Company is a private company formed in 1959 and based in the Weimar-Applegate area. Weimar Water directly serves approximately 460 connections in addition to wholesaling treated water to the Weimar Institute, Timber Hills Mutual Water Company and the Midway Heights County Water District. Including the wholesale connections there are approximately 1,000 connections served by the Weimar Water Company. Raw water is purchased from PCWA and supplied through the Boardman Canal. Weimar Water operates under the oversight and authority of the California Public Utilities Commission (CPUC) and the California Department of Health Services (DHS).

*The Weimar Water Company is a private entity and is not subject to LAFCO purview; therefore no determinations have been included. Weimar Water is included in the report to ensure a comprehensive review of water service in mid-Placer County.*

### 1. Growth and Population

Weimar Water currently provides service to approximately 460 retail connections and wholesales treated water to Midway Heights County Water District, Timber Hills Mutual Water Company and the Weimar Institute. The area served is primarily residential with some light commercial use. The population directly served by the Company is estimated at approximately 1,200 persons. Weimar Water serves an area that lies within the Colfax Regional Analysis District (RAD). Per the SACOG March 2001 projections, population within the Colfax RAD is expected to increase to 14,758 by 2025 with an average annual growth rate of 0.6%.

### 2. Infrastructure Needs and Deficiencies

The Weimar Water Company receives its raw water supply from PCWA through the Boardman Canal. The Company has one treatment plant and is currently rated by the DHS with a nominal capacity of 1 million gallons per day; however, with minor improvements the treatment plant could produce over 3 million gallons per day. Improvements necessary to increase the reliable capacity of the treatment plant include upgrades to the raw water pump station, additional treated water pumping capacity and additional storage. The Company is in the process of adding additional storage and upgrading its raw water pumping facilities. The capacity provided will depend on the additional capacity required by wholesale customers.

System-wide the Company has a treated water storage capacity of 500,000 gallons. The Company is in the process of negotiating for land to site additional tanks that would increase storage by 500,000 to 750,000 gallons. The Company currently has four steel tanks with a total storage capacity of 265,000 gallons. In addition, offsite treated water storage is provided by the Midway Heights CWD 140,000

gallon storage tank and the 100,000 gallon storage tank at the Weimar Institute. The offsite storage provides flow equalization and emergency storage.

### **3. Financing Constraints and Opportunities**

The Weimar Water Company's financial records are available for public review through the California Public Utilities Commission.

### **4. Cost Avoidance Opportunities**

The Company is controlling capital costs related to increased pumping capacity by coordinating with its major wholesale customers. If Midway Heights CWD opts to build its own treatment plant, Weimar's existing system capacity will be adequate. The Company will seek a firm commitment for future demand from its wholesale customers prior to initiating any significant capital improvement projects designed to serve the demands of the wholesale customers.

### **5. Management Efficiencies**

Weimar Water has 1 full-time field/operations superintendent, 1 part-time general manager and 1 part-time secretary/treasurer. Four part-time employees are available on an as-needed basis. The Company has established management practices in order to increase efficiency and maximize profits. The Company is investor-owned and must meet certain levels of performance per investor expectations. The contract with its wholesale customers is typically renewed as part of the rate making process, or on an as-needed basis if there is a change in the contract terms.

### **6. Shared Facilities**

Weimar Water utilizes offsite treated water storage. Those facilities include the 140,000 gallon treated water storage tank owned and operated by the Midway Heights CWD, and a 100,000 gallon treated water storage tank owned and operated by the Weimar Institute. Operating and storage requirements of the treated water storage facilities are included in the wholesale water agreements between the Company and each customer.

### **7. Rate Restructuring**

Weimar Water Company's rates are approved by the CPUC and the Company must apply to the CPUC for any rate changes. The current rates are as follows:

Charge	Monthly Rates
Meter Charge – 5/8" meter	\$18.38
Water Use Charge – per billing unit (1 CCF)	\$1.776

### **8. Government Structure Options**

The Weimar Water Company is a private entity. Water service is provided to parcels within the Company's service area that has been approved by the CPUC.

***Applegate Annexation***

The Company noted that it is hydraulically feasible for the Company to serve approximately 100 parcels in the Crother Hills Estates development that are seeking water service. The Company has the treatment capacity to provide the additional water. PCWA has reported to the Company that capacity in the Boardman Canal is available; however, PCWA sells water on a first come first serve basis and will not reserve raw water capacity for future growth. Weimar Water noted that is probably more cost effective for Midway Heights to serve the area due to the proximity of its facilities.

**9. Local Accountability and Governance**

The Weimar Water Company is a private entity operated under the direction of a Board of Directors. Directors are elected by majority vote of outstanding shareholders.